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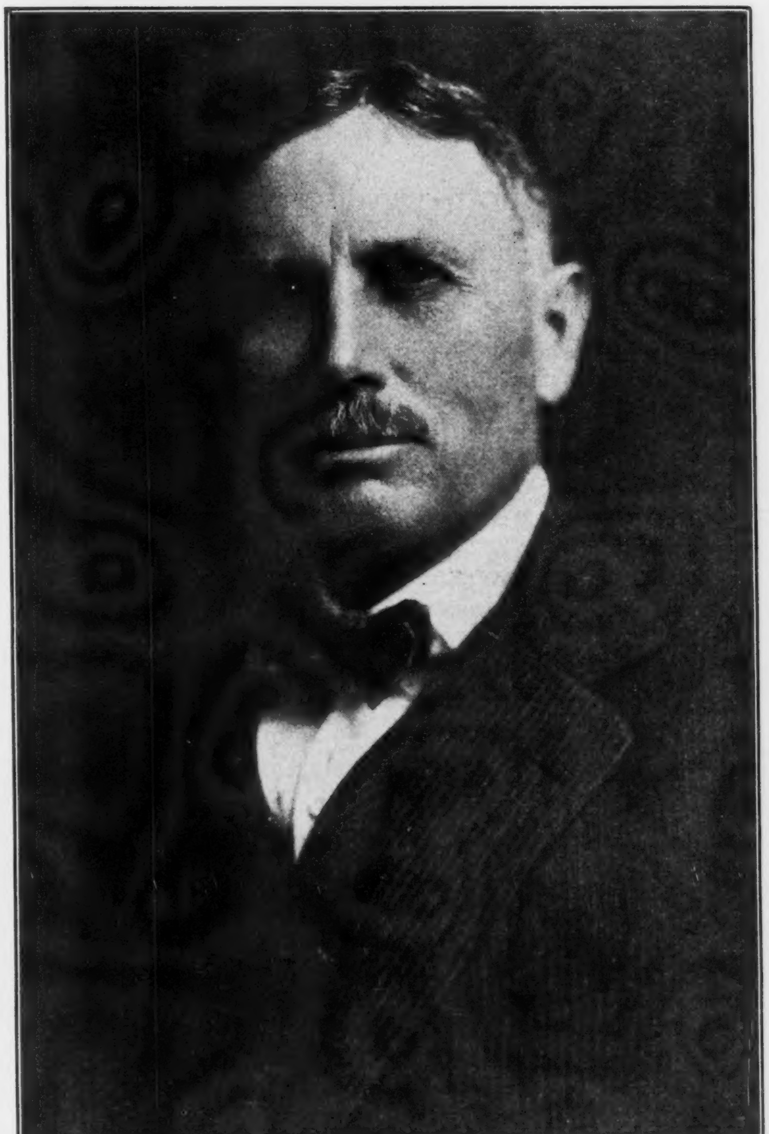
THE PRODUCER
THE NATIONAL LIVE STOCK MONTHLY

Volume XV DENVER, COLORADO, NOVEMBER, 1933 Number 6

John B. Kendrick



JOHN B. KENDRICK, senior United States senator from Wyoming, died at Memorial Hospital in Sheridan on November 3. Death was due to an attack of uremic coma, from which he never awoke.

It is doubtful if the passing of any individual in this part of the country would arouse a more widespread feeling of regret and personal loss. Senator Kendrick was one with the West—more particularly the Rocky Mountain region. First and last a cattleman, his interests were not confined to the range, and at Washington he represented his people in all their affairs with devotion and never-wearying zeal. Upright, kindly, steadfast in friendship, he numbered among his intimates persons of all stations in life and of all shades of opinion. In Congress, few members wielded a greater influence than this soft-spoken, modest, quietly efficient man. In his special field he was listened to as no one else.

* * *

Kendrick was born in Cherokee County, Texas, on September 6, 1857, and thus had passed his seventy-sixth birthday. At sixteen, he went to work on a ranch, and soon developed into an expert "cow hand." In 1878 he turned northward, tramping over the old Chisholm Trail with a herd of several thousand cattle. Arriving in Wyoming, after many hardships, and saving his money as he went, he began investing in live stock in a small way on his own account. His herd grew by degrees, and in a few years he reached the point where he could manage his own ranch, to which he added from time to time, until at his death he owned about 200,000 acres in Wyoming and Montana, and had become one of the largest landholders in the Northwest.

His entrance into public life dates from 1910, when he was elected to the State Senate as a Democrat, although Wyoming then was preponderantly Republican in sentiment. After having served two terms,

he was made governor in 1914. In 1917 he was sent to the United States Senate, where he remained until his death.

Among the many measures for the benefit of the live-stock industry with which Senator Kendrick's name will be indissolubly linked was the Packers and Stock Yards Act, placing the marketing and processing of meat animals under strict government supervision. This victory was won only after years of patient, up-hill work.

One of the last causes for which he fought with indomitable energy and perseverance, against equally tenacious opposition, was that of the Casper-Alcova irrigation project. He lived long enough to see his efforts crowned with success, in that official approval was given to this undertaking, which will reclaim a vast tract of land near Casper, and forever remain a monument to his efforts.

The esteem in which he was held by the men in the business where his heart lay was evidenced by his being chosen president of the Wyoming Stock Growers' Association, and in 1919 president of the American National Live Stock Association, which he headed for three consecutive years.

The senator is survived by his wife, who was Eula Wolfjen, daughter of the owner of the O W Ranch; a son, Manville, who now takes over the Kendrick holdings; and a daughter, Rosa Maye.

Below are a few tributes from men close to Senator Kendrick in public and private life:

Senator Robert D. Carey, Wyoming—

"On account of his long service in the Senate, but more particularly on account of the friendships which he made, he had great influence in Washington. There was no member so universally liked, and none who had so many friends on both sides of the chamber. I feel that no one who might replace him could do for Wyoming what it was possible for Senator Kendrick to do."

Senator Edward P. Costigan, Colorado—

"Without exception, his colleagues in the Senate respected and admired his fine qualities of mind and heart. To an extraordinary degree, he embodied the leadership and virtues of the old West. Courage, straightforwardness, and firmness of will were as natural to him as the day. He leaves as his monument a record of long and distinguished public service, and a remarkable place in the abiding affections of his fellow-men."

Representative Edward T. Taylor, Colorado—

"He was the most genuinely loved member of Congress. He was the personification of the very spirit of the West and of the pioneers who made it what it is. There is no way to estimate the value of his services."

Governor Leslie A. Miller, Wyoming—

"To know him was to love him. Senator Kendrick will be missed as has been no other character in the history of the state."

The Horse—From Then to Now

BY EDWARD N. WENTWORTH

Director, Armour's Live Stock Bureau, Chicago, Illinois

OF ALL THE ANIMALS THAT HAVE CONtributed to human civilization, the horse has the longest and most continuous record. Its earliest forms existed millions of years ago, in a period to which geologists refer as the Lower Eocene. This epoch followed immediately upon that great change in living conditions over the surface of the earth which caused the extinction of the great reptiles and made possible the dominance of mammals. Professor Henry Osborn, of the American Museum of Natural History, in commenting on this catastrophe, says:

> One of the most dramatic moments in the life-history of the world is the extinction of the reptilian dynasties, which occurred with apparent suddenness at the close of the Cretaceous, the very last chapter in the Age of Reptiles.

As to what happened thereafter, he writes:

> Nature began afresh, with the small, unspecialized members of the quadrupedal class, slowly to build up, out of the mammalian stock, the great animals that were again to dominate land and sea.

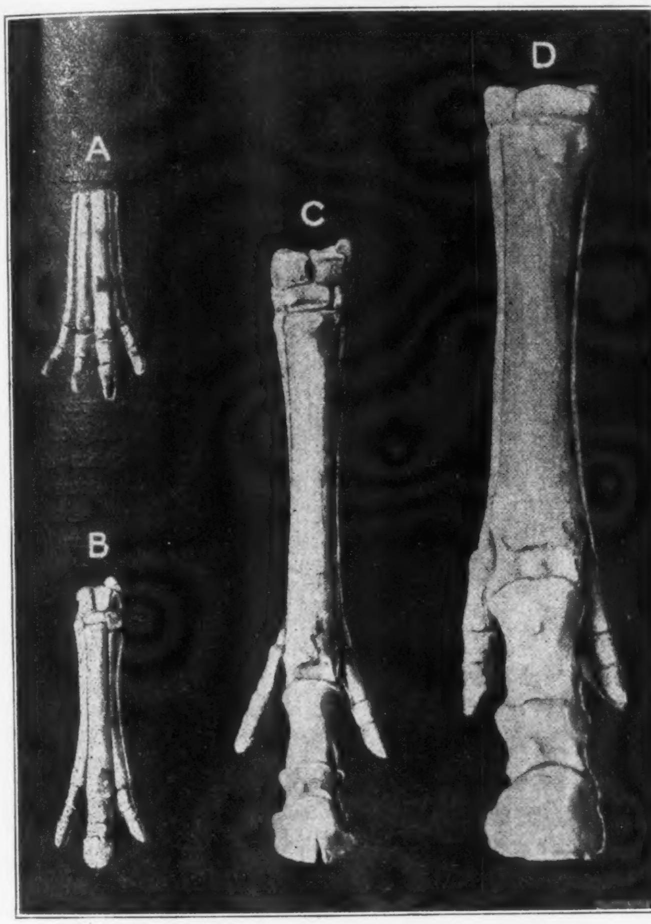
All the mammals of the Eocene were extremely primitive. Their brains were small, both actually and relatively; their teeth were of the simple, triangular type; and their feet (or hands) possessed five toes or fingers, or rudiments of these digits. Late in the Age of Reptiles there were many small mammals which possessed five toes, and these already demonstrated sufficient differences to indicate at least ancestorship to the great groups of hoofed mammals, clawed mammals, or primates (those with nails). Contemporaneous with the great reptiles, and ancestral to the hoofed mammals, were a group known as Phenacodonts, which at one time were assumed to be the forerunners of both the odd-toed and even-toed groups.

Eohippus

Among the fossil remains recognized in the lower geological deposits of the Eocene in North America were those of *Eohippus* ("dawn horse")—a slender-hoofed creature, no larger than a fox, which possessed a peculiar cat-like curve of the back, and a posture that suggested nothing of the imposing types of horse which later were descended from it. As compared with the modern horse, its gait must have been awkward, for it walked much of the time on the flat of its soles.

Most of the record of the evolution of the horse has been found in North America, but in the Old World a similar form existed, which was named

Hyracotherium ("hyrax-like beast"). (The hyrax, or coney, is referred to in the Mosaic code in the Bible as being unclean "because he cheweth the cud, but divideth not the hoof;" the latter statement probably



EVOLUTION OF TOES IN PRIMITIVE HORSE

A—Four-toed stage in Eohippus. B—Three-toed stage in Mesohippus. C—Reduced three-toed stage in Merychippus. D—Another three-toed stage in Hipparion. In modern horses, upper parts of cannon-bones of outside toes remain vestigially and are called "splint-bones."

not being good natural history, as coneys were related to rabbits, hares, and guinea-pigs, and had no hoofs at all.)

However, all the mammals of this period were quite similar, the ancestral lemurs (forerunners of monkeys and apes) and the primitive clawed mammals apparently showing very little external difference from the primitive hoofed mammals. In spite of this, it is possible to differentiate in the fossilized bones between the marsupials (animals that carried their young in pouches following birth, like the opossums and kangaroos) and the three great groups of mammals possessing claws, hoofs, and nails, respectively.

Evolutionary Changes in Horse

All the early forms of primitive horses were distinguished from the contemporary life around them by their growing brain-cases and developing fore-brains. The tale of evolution of the horse was one of increasing size and speed, reduction of toes, improvement in teeth, and constantly expanding brain-power. Though *Eohippus* walked on the flat of its foot, its descendants gradually rose to the end of the toe. The limbs lengthened, and the number of fingers and toes was reduced from five to one.

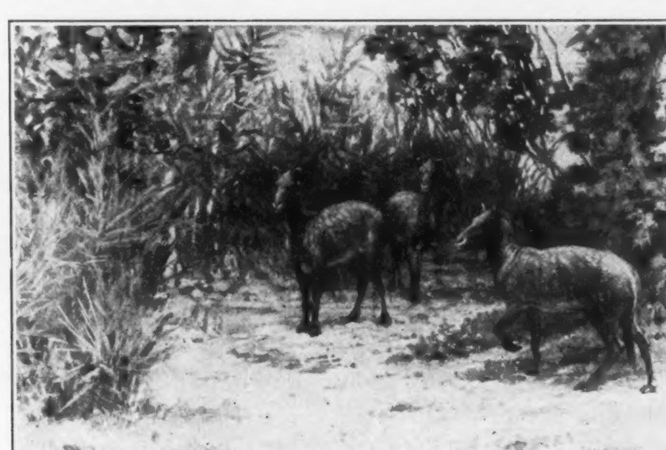
The horse belongs to the order *Perissodactyla* ("odd-toed"), and its weight, even in primitive forms, was borne by the center toe. In most species existing today, remnants of the second and fourth toes remain as the so-called "splint-bones" on the cannons, while the weight is borne entirely by the main column of what was originally the third digit.

The molar teeth evolved from a primitive three-cusped form, by means of the addition of crescents on the bearing surface to produce a strongly grinding type, the valleys between the crests being filled with cement. The difference in density, and consequent wear between the enamel and cement, was great enough to preserve a constantly efficient grinding surface, thereby playing an important part in developing the horse into a grazing type—one capable of leaving the lush grasses of the stream-beds and spreading out over the drier plains to consume the woodier grasses found there.

The greater part of the Northern Hemisphere was the original range of the horse, and its evolution probably took place contemporaneously on both Asiatic and North American continents. Almost all the intervening forms, from the primitive *Eohippus* to the modern horse, are known, and the illustrations show restorations of the typical species during different epochs.

Horses Extinct in North America

The horse became extinct during the Ice Age in North America, and there were no living representatives of this genus existing when Columbus and other explorers arrived. No traditions of horses were pre-



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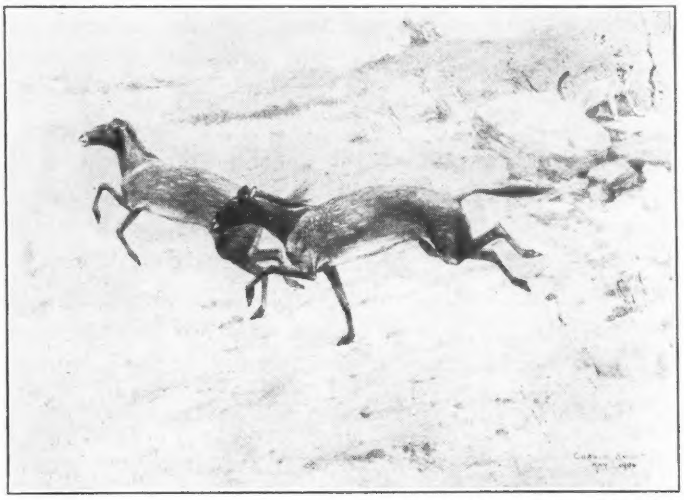
EOHIPPUS—FOUR-TOED HORSE

served by the natives, though later findings of the bones of its ancestors proved that the horse lived in North America until comparatively recent geological times. The extinction of the race is believed to have



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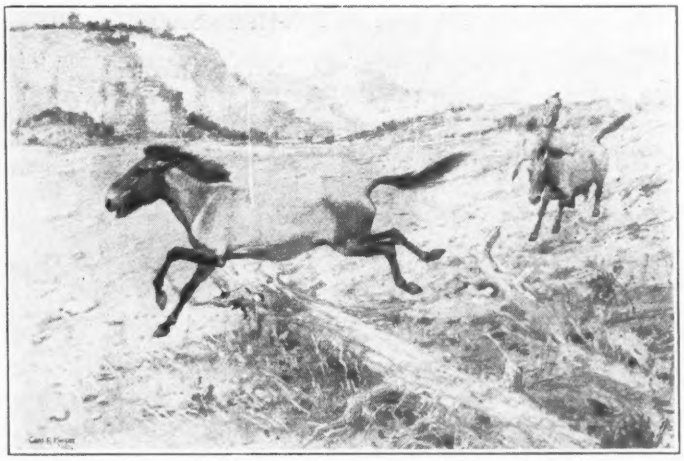
MESOHIPPUS BAIRDI

been caused by insect-borne diseases peculiar to the horse; for even now there are certain pests that make the raising of foals in the southernmost part of South America almost impossible. Because of this disappearance, one can readily understand the superstitious awe and reverence with which the horses of the early Spanish conquerors were regarded by the Indians.

During the Ice Age a medium-sized type of horse, whose fossilized remains were named after the famous scientist and explorer, Professor William B.



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EQUUS SCOTTI

Scott (brother of the old Indian fighter, Major-General Hugh Scott), was widely distributed all over the United States. While *Equus scotti* was one of the best-known fossilized forms, it was by no means the largest of the prehistoric North American horses; for in southwestern Texas there apparently existed contemporaneously a form, *Equus giganticus,* equal in size to the modern draft-horse. One skeleton of this latter species indicated a live height of about nineteen hands at the withers. The teeth of *giganticus* exceeded in diameter by one-third those of the largest draft-horse of today.

[*To be concluded in December*]

AGRICULTURAL ADJUSTMENT PROGRAM AS CATTLE-PRODUCERS VIEW IT*

BY F. E. MOLLIN

Secretary, American National Live Stock Association

IN DISCUSSING THE AGRICULTURAL ADJUSTMENT program from the standpoint of western cattle-producers, it seems only fair to state that when the domestic allotment bill was first under consideration, with the large surpluses of wheat and cotton in the limelight, the great majority of cattlemen voiced active opposition to any such program being applied to live stock. With the exception of emergency exports during the war period, we have been on a domestic basis as to cattle for a quarter of a century. We have even imported considerable quantities of canned meats and hides, several hundred thousand cattle annually, and comparatively small amounts of dressed meats. During the year 1932 our per-capita beef consumption reached an all-time low mark of 47.4 pounds, and we had never considered that we had a major surplus problem on our hands. However, our situation has been aggravated by the crisis in meat affairs brought about by continued heavy production of hogs, in spite of loss of export trade, and by persistent overproduction of dairy products. The heavy storage accumulations of pork, butter, and poultry products thus resulting have brought a disastrous collapse in values, notwithstanding relatively light marketings of beef cattle.

Increase in Cattle Numbers Creating Surplus Problem

Taking stock of our own situation in the light of these conditions, we must face the fact that the steady gain in cattle census figures since 1928—even though much of it is in dairy animals—cannot long continue without creating a major surplus problem, and it behooves us determinedly to set about to check the rather alarming increase at the earliest possible moment.

In this connection, I call your attention to the fact that of the total increase of 8,428,000 cattle from January 1, 1928, to January 1, 1933, only 541,000 head were beef cows in the thirteen states classified as "western" by the Bureau of Agricultural Economics, and only 161,000 were beef heifers. During that period there was a decrease of 313,000 head of steers in that same territory. So you see that we have not seriously offended as surplus producers.

For the United States as a whole the increase in beef cows is 1,536,000 head; in beef heifers, 534,000 head; in milk cows, 3,007,000 head; and in milk heifers, 483,000 head. Compared with January 1, 1914, the total increase in cattle is 6,392,000 head, of which 6,206,000 is in milk cows alone, to say nothing of other dairy animals.

Six months ago we thought we could see our way out unaided. We could not foresee that, agriculture having been thoroughly deflated, similar deflation would not be forced on

*Address delivered at the annual convention of the Institute of American Meat Packers, Chicago, October 24, 1933.

many industries that had stubbornly held to practically a normal level of charges; nor that the Interstate Commerce Commission would deny a decrease in freight rates, well merited on the record in the case, as evidenced by the fact that the three commissioners who actually heard the testimony all dissented from the majority decision. We could not know that the NRA would sharply enhance the cost of all supplies needed in ranch operations; that the practical fixing of the cotton price at 10 cents a pound through the recently announced loan plan would strengthen cottonseed-cake prices; that advancing labor costs would so disturb the already wide differentials that today live cattle are selling for less than they were six months ago, that the dressed carcass at wholesale costs more, and that the composite retail price shows an even greater advance, in spite of the fact that hides have more than doubled in value during that period, while other by-products have increased somewhat in price.

The example I have in mind is the relative price of good steers, Chicago, the carcass beef from them, New York, and the composite retail price from the various cuts of this carcass, New York, based on a comparison between March 15 and September 15, according to the records of the Bureau of Agricultural Economics. This class of cattle in September sold 25 cents per cwt. below the March price; the carcass beef, 24 cents per cwt. above the March price; and the composite retail price in September was $1 per cwt. above the March price. This in spite of the fact that hides advanced from 4½ to 13 cents per cwt. during that period, and that there was an increase in the price of beef fats of approximately three-fourths of a cent per pound.

Traditionally independent though he be, whether he likes it or not, the cattleman today is very much in the "new deal," entirely unable to cope single-handed with forces that, on the one hand, widen the spread between himself and the consumer, and, on the other, increase his costs of operation.

Gap between Producer and Consumer Must Be Narrowed

I think it would be proper to say that the greatest good which the new program can accomplish for the cattle industry is to narrow the ever-widening gap between the producer and the consumer. We have come to recognize that overproduction and underconsumption are more or less synonymous and entirely similar as to result; but we say altogether too little about one of the major causes for both overproduction and underconsumption—the, in many cases, almost prohibitive cost of distribution. When the milk-wagon driver gets almost as much per quart for the job of delivering as does the man who owns the farm and the cows; when apples retail at 10 cents each, while a few miles away warehouses are filled with fruit that cannot be sold; when old cows and old ewes will not bring enough on the markets to pay shipping expenses; when it takes four cattle hides to pay the cost of half-soling a pair of shoes; when thousands of coal-miners are out of work, while other thousands of farmers burn corn to keep warm; when we have increasing surpluses of foodstuffs piling up on every hand, while thousands upon thousands of children and many adults are undernourished, it is high time that we get at the seat of the trouble.

Prior to 1921 we had less complaint to make as to the share we received of the dollar which the consumer paid for beef. I call your attention to the chart on the board, drafted by the research department of the National Live Stock Marketing Association, showing that for many years prior to 1921 the wholesale carcass price of beef from good-grade lightweight steers at Chicago was approximately 150 per cent of the steer price, while retail beef prices, according to the Bureau of Labor Statistics, averaged slightly better than 200 per cent of the steer price. Since 1921 wholesale carcass prices have averaged very much the same as before, with a little widening of the margin in 1931 and 1932, when by-products were so low in price; but the retail price spread took a sharp jump in 1921, and, like the cat on the flagpole, refuses to come down. The price spread since that time has averaged from 250 to 300 per cent. While it is only natural that this percentage should be high while steer prices are at the present low levels, I call your attention to the fact that there was no decline in the percentage during 1928 and 1929, when steer prices were relatively high.

The same is true in the case of other meats. The little white chart (also drawn by Mr. Conway, of the research department of the National Live Stock Marketing Association) shows that prior to 1920 the consumer paid an average of 179 per cent of live-hog costs for his pork products; from 1920 to 1930, 252 per cent; and since 1930 the sky is the limit.

In the 1921 "Yearbook" of the Department of Agriculture it is indicated that the producer got 53.5 cents of the consumer's dollar spent for beef. It is shown that the 1921 price of live steers was only 3 per cent above the 1913 average, whereas wholesale beef prices were 25 per cent higher, the retail price of plate beef 16 per cent higher, sirloin steak 64 per cent higher, and rib roast 55 per cent above the 1913 average. Thus for twenty years the distributor has added again and again to the toll taken out of the farm product on its way to the consumer. Is it any wonder that today agriculture is prostrate and millions of potential consumers hungry?

System of Marketing and Distribution on Trial

I believe that our entire system of marketing and distributing live stock and its products is on trial today, and that if, under the extraordinary powers given to industries under the codes and marketing agreements now being drafted, progress is not made substantially to shorten the gap between the producer and the consumer, a new system will develop to take its place. The railroad, the central stock-yards, the central packer, and the retail distributor, with the modern facilities available, can do an efficient job of transporting, processing, and distributing the products of the farm, so that the consumer can purchase the best food available at a reasonable price. If big business becomes too efficient and insists on taking too big a toll along the way; if overheads are maintained on an artificial basis, so that seemingly no undue profit is made, then the producer, either individually or collectively, will have to seek a way of marketing that will enable him to continue to produce and to secure at least a reasonable reward for his labor. He cannot do that as matters stand today.

One of the factors that have become of major concern is the practice of chiseling prices down in order to establish advertising leaders. The packer, in order to meet competition, bows to this demand, and has no alternative except to take it out of the producer by bearing down on the live-stock markets. Thus a vicious circle is established. It is our hope that the marketing agreement now being negotiated will be put into effect at an early date, and that through it you will be able to put an end to price-chiseling. I believe that under such a code we have a right to expect better salesmanship on the part of both the packer and the retailer, and that all of us will profit therefrom.

I agree with what Mr. Gregory said about the packer marketing agreement. It is almost a month and a half since our committee met here in Chicago with a subcommittee of the Corn-Hog Committee and reached a practical agreement

as to the changes we desired in the original draft of this document. We later conferred with the processors' committee, Chester C. Davis of the AAA being present, and I am glad to say that the packers agreed to most of the changes we had suggested. A fine spirit of co-operation was shown. In some instances, the processors' committee asked for modifications, explaining the reasons for them, and these were cheerfully granted. In view of these circumstances, we consider the delay of almost a month and a half in doing anything further with this agreement very unfortunate, as many of the things that can be done partially to remedy the present situation are entirely dependent upon getting this basic agreement from which to work. In various sections of the country, producers feel that they could work out marketing plans with the packers which would be very helpful in maintaining satisfactory prices, but not a wheel can be turned until the agreement is signed. We urge that the negotiations be completed without further delay. It is only through such an agreement that many of the conditions of which I complain can be remedied.

The difficult end of the problem remains, as always, in the retail zone. It is by no means confined to the meat industry. The protests that are going up all over the country against advancing food prices, while the producer in many instances actually receives less, should focus the spotlight of public opinion on the retailer and make him put his house in order. The Packers' Consent Decree should be modified to permit the large packers to make full use of their distribution organizations and, if necessary, to enter the retail field. Your responsibility in the matter today is indirect; but if you sit idly by and see the producer forced to expand local outlets, you will find that he is in competition with you, and that your own volume will be proportionately reduced.

United States Agricultural Tariffs Relatively Insignificant

During the last campaign we heard much about the iniquitous Smoot-Hawley tariff bill. We are mere pikers, compared with almost any foreign country that might be named, when it comes to giving adequate tariff protection to our own agricultural producers. Oleo oil goes into the soap-tanks, lard goes begging, and cottonseed oil piles up in huge quantities, while we import hundreds of millions of pounds of vegetable oils from the tropics, and of whale and fish oils. We scatter hides all over our western ranches, hardly worth the skinning and sending to market, at the same time that we import a huge amount annually from the Argentine. Buyers are today bidding 1½ to 2 cents a pound for fat cows, and 2¾ to 3 cents a pound for steers, in the Paradise Valley of Nevada, while in near-by camps of the Civilian Conservation Corps the boys munch corned beef canned in South America. I could give you many other examples as to the very low prices prevailing for cattle in different sections of the country. In Kansas City, good heavy fat grass cattle off the Bluestem pastures are selling at from $2.75 to $3.25 or $3.50 per cwt. In various markets, canner cows have sold as low as 50 cents per cwt. I do not believe I have at all exaggerated the situation that exists today in the cattle industry. It cannot be exaggerated.

We can remedy only part of this situation as the law stands today, but I want to tell you that we never can completely restore agriculture in this country until we get over our squeamishness in dealing with these matters. When we get to the point where our agricultural policies are determined solely in the interest of the domestic producer, at least half the battle will be won. I believe that your Institute can and should be of substantial help in aiding the agricultural producers to get adequate tariff protection against foreign imports. Such action on your part would be much appreciated by the industry at large.

The policy adopted by the administration of segregating compensating taxes collected under the act to be used for the benefit of the commodity group from which they are collected will meet with instant approval, and remove what would have been a source of constant criticism and contention. It will enable the Agricultural Adjustment Administration considerably to augment the purchase of surplus agricultural commodities for distribution by the Federal Emergency Relief Commission. The purchase of large quantities of canned beef through the combined efforts of these two agencies (bids for the initial purchase now being called for) is the first good news the cattlemen have had in several weeks. Agricultural producers are glad to help in providing food for the relief agencies through the medium of processing or compensating taxes, thus taking surplus supplies off the market, but it is my firm conviction that the greater portion of the burden of feeding the unemployed should rest upon the federal government, and that the funds advanced by the Federal Emergency Relief Commission for the purchase of these surplus commodities should considerably exceed the amounts which the producers tax themselves for a similar purpose. In the distressed condition of the agricultural industry, I think it is voluntarily doing more than its fair share along this line. It should encourage the marketing of old cows, instead of holding them back to raise more calves, and, carried on through next year, should enable us finally to check the increase in production by January 1, 1935. It is axiomatic in the live-stock industry that a surplus of one species of live stock, or even of one grade (as low-grade beef is now in excess supply), will tend to pull the entire price-level down. With the dairy industry working on a program to stop surplus milk production, and with the hog problem under better control, I believe that the beef problem will respond readily to the treatment indicated.

Orderly Marketing Difficult to Bring About

Orderly marketing has been the dream of the live-stock industry for years. Many a headache has been brewed thinking up high-powered plans to bring it about; but all have been discarded, and we still make chumps of ourselves by all trying to reach the market on a certain day, although the weight of such heavy shipments is used inevitably to depress the price. Whenever we get price stabilization, the orderly marketing problem will at once disappear; and who can say how far we are away from price stabilization today? If it made little difference on what day of the week you reached the market, the natural law of averages would at once operate, and railroad companies, stock-yard companies, commission men, and packers could all function much more efficiently. The tenacity with which we hang on to a system that time and time again has demonstrated its glaring weaknesses in the most expensive way possible is one of the peculiar paradoxes of our age.

It is our hope that, under the marketing agreement now being negotiated, joint action by the processors' committee and the producers' committee will bring about a spirit of co-operation in the industry which has never before existed. The large packer, and the "cattle baron" who bestirred himself only once a year, leaving the luxury of his club to gather up untold thousands of cattle from the free and open range, have long been the subject of attack. I am glad to see that there are so many hundreds of other packers, and that some of these so-called small packers have grown in number, and are today handling a substantial volume of business. That means competition. I wish that the people who

so often and so freely criticize the packing industry could attend this convention and see that, instead of its being an industry dominated by a few large concerns, it is a great industry with hundreds of substantial packers in every section of the country. I am sure they would have a different idea about it if they were able to sit in at this convention. I assure you that the trend has been the same in our industry, and that hundreds of small operators are displacing the large outfits. You would have to ride long and hard today to find a "cattle baron"—and he would not feel much like a baron when you did find him. You would have to ride longer and harder to find any free and open range. If you did find any, there would be an order issued tomorrow by some bureau in Washington, telling you what to do and when to do it, but always failing to explain why.

The cattle industry will take whatever steps are necessary to keep production down to a volume that domestic consumption can absorb at a fair price. It is our basic industry out west, and not a side line, as in the case of the dairy industry, whose by-product of old, shelly cows has played havoc with both demand and supply in the beef trade. We ask your co-operation in rehabilitating the industry. We are not content with a per-capita consumption of 47.4 pounds, as in 1932; we want to restore consumption to the 60-pound level which prevailed prior to 1927. We want your help in restoring that market, and also in protecting the domestic producer against his low-cost foreign competitor.

While the beginning of the "new deal" is not auspicious for agriculture generally and for live stock in particular, it is our hope that the lag period is almost over, and that the combined forces of the industry, acting in co-operation with the officials of the Agricultural Adjustment Administration, will soon bring order out of chaos and hope out of despair.

PROSPECTIVE CATTLE SUPPLIES

SPEAKING BEFORE THE CONVENTION OF THE Institute of American Meat Packers at Chicago on October 23, C. L. Harlan, live-stock statistician of the Bureau of Agricultural Economics, Washington, D. C., forecast the supplies of the different species of live stock in the United States during the coming year. Below we reproduce the portion of Mr. Harlan's address dealing specifically with cattle:

"Turning to cattle and calves, I think we can forecast the slaughter of these during the next twelve months with somewhat more confidence, provided no outside forces intervene to change the conditions that will control marketings during this period. Cattle and calf slaughter in 1931 and 1932 was smaller than it would have been, had increased slaughter followed increased numbers on farms, as it apparently did in former periods when cattle numbers began to increase after reaching the low point of a production cycle. This delay in slaughter increase was probably due to the drop in cattle prices in 1931 and 1932, which caused many producers to hold cattle back in the hope that prices would improve. The large increase in slaughter since May this year over the same period in the last three or four years seems without doubt to be the beginning of the upswing in slaughter following the five years of increasing numbers, although it was possibly exaggerated by the feed situation, and by the restricted movement of stocker and feeder cattle back to farms.

"Once under way, there is every reason to expect that this upward trend in slaughter of both cattle and calves will continue for several years. From 1921 to 1927, when cattle slaughter was at a high level, a large proportion of the slaughter was of female cattle. The same thing is to be expected during the next few years. Although there has been only a very small movement of feeder cattle from markets to feed-lots since July, which indicates a decrease in fed cattle during the coming winter and spring, it is probable that the total slaughter of cattle during this period will exceed that of a year earlier and any other similar period since 1927. I would estimate the total slaughter of cattle in November and December as about 2,600,000 head, compared with 1,300,000 last year, and for the six months, January to July, 1934, as from 4,100,000 to 4,300,000 head, compared with about 3,900,000 in 1933, and an average of about the same number for the years 1928 to 1933.

"In view of the short corn crop, and the reduced production of other feed grains and forage crops, the proportion of grain-finished, and especially of highly finished, cattle during both the first half and in all of 1933 will be small. Calf slaughter is also expected to show a further increase in 1934, which might carry the total for the year to above 5,000,000 head, compared with about 4,500,000 in 1932 and a probable 4,800,000 this year. With a decreased proportion of heavy finished cattle and a larger proportion of thin cows, the average weight of cattle in 1933 will be lighter than in 1932. and the dressing yields will be smaller, so that the percentage increase in the dressed weight of beef produced will be below the increase in the number of cattle slaughtered."

WHAT IT COSTS TO MARKET MEAT ANIMALS

COST OF MARKETING MEAT ANIMALS IN 1932 WAS $935,000,000, according to R. C. Ashby, live-stock marketing specialist at the Illinois College of Agriculture, as quoted in the *American Hereford Journal*. This $935,000,000 represents the difference between the farm value of the cattle, hogs, and sheep slaughtered last year, or the $721,000,000 that producers received for them, and the $1,656,000,000 that consumers paid for the product.

"There are two ways of looking at live-stock marketing costs," we read, "and 99 out of 100 stockmen look at them the wrong way, according to Mr. Ashby. Most stockmen, he says, figure that the marketing cost is the difference between what they receive for the animals at the farm and what the packer pays for them. On this basis, the marketing cost of meat animals slaughtered in 1932 would be $140,000,000, made up of freight, commission and yardage charges, feed, and the like. But, says Mr. Ashby, the packers maintain that the price of live stock is determined by what the consumers will pay for meats. That is, the price of meats to the consumers, less the various costs of processing and distribution, is the price of the meat animal. On that basis, the live-stock marketing costs in 1932 were $935,000,000 instead of $140,000,000.

"That $935,000,000 included costs of slaughter, processing, storage, wholesaling, transportation, insurance, and retailing in getting the meat from the packer to the consumer, as well as transportation, yardage, commission, and the like in getting the animals from the producer to the packer. . . .

"According to the above figures, out of every dollar the consumers paid for meat in 1932, 43½ cents went to the producer, and 56½ cents went into the cost of handling the meat animals, and processing and distribution of the product."

WESTERN MARKETING ASSOCIATION MAY ABANDON FIELD SERVICE

UNLESS IT SUCCEEDS IN GREATLY INCREASING its membership, it soon will become impossible for the Western Cattle Marketing Association to continue its field service, according to P. A. Klipstein, president of that organization. At various district meetings this fall Mr. Klipstein has explained that present low prices and resultant decreases in sales have seriously handicapped the association financially. He advocated the development of strong state organizations, each of which should have a committee to work with similar committees from other states and the Pacific coast packers in an endeavor to formulate a plan dealing with prices, grades, and other factors.

THE PACKERS' CONVENTION

THE MEAT INDUSTRY UNDER THE "NEW DEAL" was the chief topic of discussion at the twenty-eighth annual convention of the Institute of American Meat Packers, held in Chicago on October 20-24, 1933. How the agricultural adjustment program will affect the various branches of the business was set forth by representatives of the administration at Washington, the hog-growers, and the cattlemen, and the packers' marketing agreement, still "in committee," was elucidated by spokesmen for those who have had much to do with its drafting.

The first three days—Friday, Saturday, and Sunday, October 20-22—were given over to sectional meetings, where the packers "talked shop." Monday and Tuesday, October 23 and 24, were devoted to the more formal part of the proceedings, with set speeches. The occasion ended with a grand banquet.

As chairman of the Board of Directors, John W. Rath, a packer of Waterloo, Iowa, in his opening remarks on Monday morning reviewed the activities of the Institute during the past year. C. L. Harlan, live-stock statistician of the Department of Agriculture, Washington, D. C., presented a forecast of "What Live-Stock Supplies Will Be This Winter and Next Summer." (An extract from Mr. Harlan's address will be found in another column.) W. H. Spencer, dean of the School of Business of the University of Chicago, spoke on "The General Business Situation." Export conditions were described by Charles E. Herrick, president of the Brennan Packing Company, Chicago, and former president of the Institute, who urged additional efforts on the part of the government for the removal of export restrictions.

In the afternoon, G. M. Pelton, chairman of the Committee on Accounting of the Institute, discussed "Costs and Profits." Frank I. Badgley, head of the Industrial Relations Department of Swift & Co., talked on "Industrial Relations." "The Labor Code of the Meat Industry: How It Is Working" was the subject of George M. Foster, chairman of the Special Labor Committee, who said that an increase of 17 per cent both in the number of employees and in pay-rolls had followed the adoption of the labor code by the meat-packing industry.

On Tuesday morning, the general topic was "The Agricultural Adjustment Program with Reference to the Live-Stock and Meat Industry." Major C. W. Dunning, of the Processing and Marketing Division of the Agricultural Adjustment Administration, explained how this program appeared to the people at Washington. C. V. Gregory, member of the Corn-Hog Producers' Committee of Twenty-five, told how it looked to the hog-grower. The cattleman's point of view was set forth by F. E. Mollin, secretary of the American National Live Stock Association. (Mr. Mollin's address is printed in full elsewhere in this issue.)

The afternoon's subject was "The Marketing Agreement of the Meat Industry." The first speaker was Thomas E. Wilson, president of Wilson & Co. and chairman of the Processors' Committee of the Institute, whose address was entitled "What It Means." Mr. Wilson mentioned the difficulties met with in formulating the agreement, and the criticisms which had been made of the packers' attitude, which he declared to be unjust. The proposed processing tax of 2 cents a pound on hog products he found out of line with the tax on other commodities. He was followed by W. Whitfield Woods, president of the Institute, who dealt with the manner of applying the marketing agreement, and the organization being effected by the industry for its application, enumerating the ways in which it might be made helpful for both producer and packer.

In the election of officers, Mr. Woods was again made president of the Institute, and Mr. Rath chairman of the board.

ARIZONA CATTLEMEN INDORSE COMMITTEE OF FIVE

IN CONVENTION AT GLOBE, ARIZONA, SEPTEMBER 30, 1933, the Gila County Cattle Growers' Association unanimously passed the following resolution:

"WHEREAS, We are thoroughly in accord with efforts being made by the National Recovery Administration to pull our country out of the depressed position which it has occupied for the past few years; and

"WHEREAS, The American National Live Stock Association has appointed a Committee of Five to work with the Agricultural Adjustment Administration for the purpose of securing the co-operation of all cattle interests in an effort to better the position of our industry; and

"WHEREAS, Plans have been made by that committee which it thinks will greatly benefit the industry; therefore be it

"*Resolved,* That we hereby indorse the actions of the Committee of Five and pledge our support to its efforts; and be it further

"*Resolved,* That we indorse the actions of Secretary Wallace and the Agricultural Adjustment Administration in their efforts to better the position of our industry."

Stephen L. Bixby is secretary of this association.

* * *

At a meeting of the Northern Arizona Cattlemen's Association held in Holbrook on October 7, discussion centered around the stabilization of the cattle industry as contemplated in the agreement to be worked out by the packers, the Committee of Five, and the Secretary of Agriculture. The following resolution was adopted:

"The Northern Arizona Cattlemen's Association hereby extends a vote of thanks to those members of the Arizona Cattle Growers' Association who have been working with the American National Live Stock Association in an effort to improve conditions in the cattle industry. We are heartily in accord with the steps taken at the meeting in Denver a month ago. We have confidence in the Committee of Five appointed at that meeting to confer with the Secretary of Agriculture for the purpose of working out a code which will serve the best interests of our industry."

William R. Bourdon is president of this association, and J. C. Wetzler secretary.

MILK-PRODUCERS CRITICIZE CODE DELAY

WITH AN ATTENDANCE OF MORE THAN ONE thousand delegates, representing sixty-three associations, of which forty-two were member groups, the National Co-operative Milk Producers' Association met in annual convention at Chicago on October 9-11. The entire session was colored by outspoken criticism of the dilatoriness in making the dairy marketing agreement effective, and a resolution was passed urging the President of the United States to start an immediate investigation of conditions responsible for the delay. The directors of the association were authorized to appoint a committee to study a plan of production control. With respect to importations of fats and oils, the President and Congress were petitioned to restrict such imports either by embargo or by adequate tariff rates.

N. P. Hull, of Lansing, Michigan, was chosen as president, in succession to Harry Hartke, and Charles W. Holman, of Washington, D. C., was reappointed secretary.

UTAH CATTLEMEN APPEAL TO PRESIDENT

AT A MEETING OF THE NEPHI FOUR-MILE CREEK Cattlemen's Association held at Nephi, Utah, on October 20, 1933, the following resolution was unanimously adopted:

"WHEREAS, Economic conditions of the past three years have resulted in a rapid decline in the price of beef cattle; and

"WHEREAS, The drought prevailing throughout Utah during the past year has so affected the production of feed that thousands of cattle have been forced on the market; and

"WHEREAS, The price of beef cattle has reached such a low level that it is impossible for this pioneer industry of the western states to operate without immediate relief; and

"WHEREAS, Relief has already been given by the United States government to other industries in no greater financial distress; therefore be it

"*Resolved*, That the members of this association make an appeal to the President of the United States, through the Secretary of Agriculture, for immediate relief which will enable the stockmen to survive."

H. J. Irons is president of this organization, and T. D. Davis secretary.

MARGARINE MANUFACTURERS OPPOSE USE OF FOREIGN OILS

MANUFACTURERS OF MARGARINE WHO ARE IN favor of the policy long urged by live-stock producers and cotton-growers to restrict imports of foreign oils and fats have filed with the Secretary of Agriculture a proposed marketing agreement containing the following provision:

"The manufacturers hereby agree that on and after January 1, 1934, they will use no fat or oil ingredient in the manufacture of margarine except fats and oils produced from animals or vegetables raised or produced within the borders of continental United States."

This agreement is being opposed by manufacturers who are extensive users of imported oils.

MEAT WEEK ON PACIFIC COAST

WITH THE CO-OPERATION OF THE NATIONAL Live Stock and Meat Board, the California Cattlemen's Association, and the California Wool Growers' Association, a "Meat Week" was staged by the Pacific Live Stock and Meat Institute in the San Francisco Bay district, October 23-28. The important place of meat in the diet, how to display and advertise it to the best advantage, how to cut it, how to buy it, as well as the most economical and palatable ways of preparing it for the table, were told and shown in a series of demonstrations and lectures to audiences of retailers, housewives, high-school students, home-economics teachers, and dietitians. The Meat Board had sent out its chief meat-cutting expert, Max O. Cullen, to assist in the program.

As a result of the campaign, it is expected that a powerful stimulus will be given to the interest in and use of meat by housekeepers on the Pacific coast.

MEAT-GRADING IN SEATTLE

AN ORDINANCE PROVIDING FOR THE CLASSIFICATION, grading, and marking of all beef sold in Seattle's butcher shops is now before the city council there. The ordinance, making it unlawful to misrepresent grade and quality of meat offered for sale, requires that all meat advertisements must clearly specify class and grade.

CROP OUTLOOK AGAIN IMPROVES

CONTINUED FAVORABLE WEATHER IN SEPTEMBER caused government crop estimates as of October 1 to show minor increases over those for the previous month. The outlook for corn, spring wheat, oats, sorghums, tame hay, Irish potatoes, sugar-beets, and cotton improved in varying degree. Prospective yields of the principal grains, however, remain the lowest in many years. This condition extends to Canada, whose wheat harvest will be the shortest since 1924. The latest figures follow, with comparisons for last year (in bushels except as otherwise indicated):

	1933	1932
Winter wheat	340,355,000	461,679,000
Spring wheat	174,461,000	264,604,000
All wheat	514,816,000	726,283,000
Corn	2,291,398,000	2,875,570,000
Oats	698,531,000	1,238,231,000
Barley	159,741,000	299,950,000
Rye	23,116,000	40,409,000
Buckwheat	7,384,000	6,772,000
Flaxseed	7,400,000	11,800,000
Grain sorghums	106,600,000	105,900,000
Rice	36,100,000	39,400,000
Hay, tame (tons)	67,337,000	69,794,000
Hay, wild (tons)	9,122,000	12,187,000
Potatoes (tons)	307,382,000	357,679,000
Sugar-beets (tons)	10,860,000	9,070,000
Cotton (bales)	12,885,000	13,002,000

Unusually favorable harvesting weather in Europe, outside of Russia, has resulted in a record crop, estimated at 75,000,000 bushels over last year's. The Russian crop, too, is reported to be considerably larger than that of 1932.

EXPORTS OF MEATS AND FATS

EXPORTS FROM THE UNITED STATES OF MEATS, meat products, and animal fats for the month of September and the nine months ending September, 1933, were as below (in pounds):

	September, 1933	Nine Months Ending Sept.
Beef and veal, fresh	273,109	1,924,786
Beef, pickled, etc.	1,478,151	9,364,685
Pork, fresh	711,084	7,116,302
Hams and shoulders	6,152,443	60,925,467
Bacon	2,237,891	13,253,182
Cumberland and Wiltshire sides	241,449	976,485
Pork, pickled	1,821,604	11,880,828
Oleo oil	2,395,256	24,716,160
Lard	48,742,715	426 918.926
Neutral lard	277,720	3,968,560
Cooking fats other than lard	172,744	1,844,151
Total meats and meat products	20,430,749	164,821,426
Total animal oils and fats	52,940,832	469,783,781

NATIONAL AGRICULTURAL COUNCIL PROPOSED

FORMATION OF A NATIONAL AGRICULTURAL Council, composed of representatives of national farm organizations and co-operative groups, to confer with governmental agencies on methods of procedure in dealing with major problems relating to agricultural welfare, has been pro-

posed by Edward A. O'Neal, president of the American Farm Bureau Federation, and chairman of the conference of national agricultural organizations held at Chicago on September 18. Secretary Wallace has welcomed the appointment of such a committee.

Organizations represented at the Chicago conference were the National Grange, the American Farm Bureau Federation, the National Committee of Farm Organizations, the Farmers' National Grain Corporation, the American Cotton Co-operative Association, the National Live Stock Marketing Association, the National Co-operative Milk Producers' Federation, and the Kansas Farmers' Union.

DENVER YARDS REDUCE HAY PRICES

A SUBSTANTIAL REDUCTION IN HAY CHARGES AT the Denver stock-yards has been announced. Effective November 1, rates on prairie and alfalfa hay have been lowered $2 a ton. The new quotations provide for a price of $1.20 per cwt. on the fence, or $1.30 fed out. Bedding straw hereafter will be 65 cents a bale, and corn 90 cents a bushel.

AN EXAMPLE FOR EMULATION

A SPECIAL DONATION OF $115 TO THE AMERICAN National Live Stock Association, "to help fight the battle of the long-suffering cattlemen," has been received from the Modoc County Branch of the California Cattlemen's Association, through W. E. Armstrong, its secretary. Mr. Armstrong writes: "If there is not something done to help the stockmen, they cannot continue to operate much longer. There is not one in this county who is out of debt, and who has not been operating in the red for the past five or six years."

The contribution is much appreciated at this time, when the resources of the National Association are strained to the utmost to carry on the fight for justice to the producer.

Robert Y. Stuart

ROBERT Y. STUART, CHIEF OF THE UNITED States Forest Service, on October 23 fell from a window on the seventh floor of the Forestry Building in Washington, D. C., and died on his way to the hospital. Mr. Stuart was born in South Middleton, Pennsylvania, fifty years ago, and was a graduate of Dickinson College and Yale University. Entering the Forest Service in 1906, he succeeded William B. Greeley as chief in 1928, having previously been in charge of the Branch of Public Relations. Like Mr. Greeley, he saw service in France during the World War. He was generally recognized as one of the country's foremost authorities on forestry matters. Lately the organization and administration of the Civilian Conservation Corps had proved a severe tax on his physical resources. He is survived by a widow and two daughters.

Charles M. Dowlin

CHARLES M. DOWLIN, OF FORSYTH, MONTANA, died suddenly on October 14, at the age of fifty-one. Mr. Dowlin, who was born in Champlin, Minnesota, had been operating a big ranch in Rosebud County since 1902. He was a former state senator, and for several years was president of the Montana Stock Growers' Association. His widow and two daughters survive him.

SILCOX SUCCEEDS STUART

TO SUCCEED ROBERT Y. STUART, WHOSE DEATH IS recorded in another column, as Chief of the Forest Service, Secretary Wallace, with the approval of the President, has selected Ferdinand A. Silcox. Mr. Silcox is a native of Columbus, Georgia, and a graduate of the College of Charleston, South Carolina, and of Yale School of Forestry. From 1905 to 1917 he was connected with the Bureau of Forestry, which preceded the present Forest Service. He has done considerable field-work, having been successively a forest ranger in Colorado, in charge of national forests in that state and Montana, associate district forester, and district forester for the Northern Rocky Mountain Region. Like his two predecessors, he served in France during the World War. At the conclusion of peace, he became director of industrial relations of several private concerns.

Sales of Stamped Beef in Canada

Sales of government-graded and stamped beef in Canada are showing continued progress. During the first eight months of the present year, 20,975,165 pounds of the two top grades bore the government stamp, as compared with 14,284,303 pounds during the corresponding period of 1932.

Argentine Agricultural Legislation

At the recent session of the Congress of Argentina a measure was enacted creating a National Meat Board, with broad powers of control over the meat-packing industry, and providing for the acquisition by live-stock producers of the municipal slaughter-house at Buenos Aires by means of a tax on live stock sold. A moratorium on all mortgages was likewise declared.

THE CALENDAR

November 11-17, 1933—Ak-Sar-Ben Live Stock Show, Omaha, Neb.
November 13-16, 1933—Kansas National Live Stock Show, Wichita, Kan.
November 18-25, 1933—American Royal Live Stock Show, Kansas City, Mo.
December 2-7, 1933—Great Western Live Stock Show, Los Angeles, Cal.
December 2-9, 1933—International Live Stock Exposition, Chicago, Ill.
December 8-9, 1933—Annual Convention of California Cattlemen's Association and Western Cattle Marketing Association, San Francisco, Cal.
December 11-13, 1933—Annual Convention of American Farm Bureau Federation, Chicago, Ill.
December 14-15, 1933—Annual Convention of Sheep and Goat Raisers' Association of Texas, San Angelo, Tex.
January 10, 1934—Annual Convention of New Mexico Cattle Growers' Association, Albuquerque, N. M.
January 10, 1934—Annual Convention of New Mexico Wool Growers' Association, Albuquerque, N. M.
January 10-12, 1934—Thirty-seventh Annual Convention of American National Live Stock Association, Albuquerque, N. M.
January 13-20, 1934—National Western Stock Show, Denver, Colo.
January 16-18, 1934—Annual Convention of National Wool Growers' Association, Salt Lake City, Utah.
January 29-31, 1934—Annual Convention of Montana Wool Growers' Association, Billings, Mont.
February 13-14, 1934—Annual Convention of Arizona Cattle Growers' Association, Prescott, Ariz.
February 24-March 4, 1934—Houston Fat Stock Show, Houston, Tex.
March 10-19, 1934—Southwestern Exposition and Fat Stock Show, Fort Worth, Tex.
March 20-22 1934—Annual Convention of Texas and Southwestern Cattle Raisers' Association, San Antonio, Tex.

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Volume XV NOVEMBER, 1933 Number 6

CALL FOR CONVENTION

To Members of the American National Live Stock Association, Affiliated Organizations, and Stockmen Generally:

Call is hereby issued for the Thirty-seventh Annual Convention of the American National Live Stock Association, to be held in Albuquerque, New Mexico, January 10-12, 1934.

* * *

The past year has witnessed a revolution in the economic life of our nation that is without precedent. Ancient methods have been overturned; principles heretofore regarded as fundamental have been set aside; a new outlook has supplanted time-hallowed views; a new spirit of unity and hopefulness has invaded the disheartened army, marching under a new banner.

Results of this epoch-making transformation, rendered necessary by a fast-approaching catastrophe which had been too long ignored, have been many and marked, even if not quite so notable as enthusiasts had hoped. Closed banks have been reopened; millions of unemployed have returned to work; freight is moving more freely; our foreign commerce shows signs of revival; and everywhere business appears to be awaking from its lethargy, under the stimulus of the heroic measures adopted by the administration at Washington, and the billions of dollars that, like a life-giving fluid, are being pumped into an anemic body.

To this general rule, however, there is one exception. Agriculture continues to be the sick man in our economic household. The blessings of the New Deal have stopped at the door of the man who feeds the nation, and on whose rehabilitation the welfare of the country most depends. Benefits to flow from the many reforms inaugurated are yet mostly in the future. Throughout the Middle West farmers at this moment are striking for the pitiful demand of "cost of production." Tens of thousands have lost their homes through foreclosure.

As to the live-stock, and more particularly the cattle, industry, things have gone from bad to worse. In sending out our call for the 1933 convention, we gave expression to the belief that bottom had been struck. Well, it had not. We are still groping for it. Prices on most classes of cattle have today dropped to levels never before recorded. At the same time, per-capita beef consumption is the lowest in history. Hide values, though showing some improvement, are yet far below the point where they would bear their rightful share of the price burden. In the face of this, we are continuing to import large quantities of both canned beef and cattle hides from South America. A similar condition exists in the case of beef fats, for which there is no appreciable market, our margarine-manufacturers preferring the cheaper coconut oil from the Philippines.

In this matter of prices, the cattleman himself, of course, cannot be acquitted of all blame. For the past four years it has been evident that we were raising too many cattle in this country. We are now paying the penalty of our improvidence. It is imperative that something be done to correct this unwise policy, whether through rigid culling of the poorer classes of cows or through the spaying of a certain percentage of heifers, or both.

Another element in the price situation is the dairy industry, which has expanded beyond all prudent bounds, and is throwing upon the market a constantly growing volume of low-grade beef from its discarded cows, in direct competition with the product from our ranches and feed-lots, adversely affecting both demand and supply.

These and other factors have combined to create a condition for the beef-grower which urgently calls for a change of program, if the whole industry is to be saved from irremediable disaster. No producer can long continue to produce if the results of his labor, time, and investment are negative. Cognizance

of the urgency of this problem was taken in a recent radio broadcast by President Roosevelt, in which he said:

> I have reports that some sections [of the farming country] are not any better off than they were a year ago. This applies, among the major products, especially to cattle-raising and the dairy industry. We are going after those problems as fast as we can.

We recognize, of course, that the administration at Washington is entitled to the fullest and most loyal support of every patriotic citizen in carrying out its program aiming at the good of all. We readily admit, too, that the problems with which it is wrestling are of gigantic proportions, and that the difficulties in the way are overwhelming. Nevertheless, without implying the least criticism of any individual or department, we cannot refrain from venturing the opinion that at times the emphasis has not been placed where urgency indicated. Agriculture generally, and the cattleman in particular, simply cannot wait.

It is now three months since the Committee of Five was appointed at Denver. This committee has made one trip to Washington, working with Secretary Wallace and the packers on the packer trade agreement, which is the necessary starting-point for any effective reform. In continuation of these negotiations, Secretary Mollin has spent the last month at the national capital, in constant touch with those having this matter in hand. Yet, at this writing, the code has not been signed, although all major points were agreed upon by the processors sitting with representatives of both hog- and cattle-producers more than six weeks ago.

Some encouragement was derived from the recent decision to purchase $10,000,000 worth of low-grade range cattle on government account, to be converted into canned beef for distribution among needy families, outside of regular trade channels. This action, urged by the American National Live Stock Association through its Committee of Five, will help reduce the surplus of this kind of animals, and should be reflected in market prices. Further purchases will be made from funds provided by the Agricultural Adjustment Administration, raised through the compensating tax.

Helpful, also, has been the announcement that 100 per cent loans will be granted on good-quality steer calves and steer yearlings being roughed through the winter, which action was urged by the American National some weeks ago.

It is possible that something may be done toward correcting evils of the present marketing system through the packer agreement, now in preparation. Disturbing in its effect upon prices at all times, the unregulated flow of slaughter cattle to market, with no regard to demand, is doubly so in periods of depression. If the packer code does not contribute anything substantial toward solving this riddle, it again will be thrown back upon the producer. It is believed that, under the marketing agreement, programs can be worked out in different sections of the country between processors' committees and producers' committees which will have a very stabilizing effect on the market.

The position of the Association on direct marketing perhaps needs to be redefined. The commission men have developed a substantial sentiment in the country against direct purchases of fat live stock. Some western live-stock associations have adopted resolutions to that end, although reserving to themselves the right to sell their own feeder stock direct; which may appear a bit inconsistent to the finisher, who perhaps thinks he has as good a right to sell direct as the breeder reserves to himself. It is indicated that legislation will be introduced in Congress seeking greatly to restrict the direct movement of all kinds of live stock. Naturally our principal concern is that no legislation should be passed which would interfere with the freedom of movement of the live stock we produce. It is certain that the matter will be before us at the convention, as it is very much in the limelight at this time.

Attention, we think, should be given to the dairy situation, which has rapidly been getting out of hand. Butter, like most other things, is being produced far beyond our capacity to absorb, the quantity in storage on October 1 amounting to no less than 57,000,000 pounds above the five-year average. As mentioned above, the competition offered by meat (a by-product in this case) from the male offspring and culled cows of the dairy herds is an ever-increasing menace to the grower and feeder of beef cattle. At the same time, our butter-makers are leaving no stone unturned to suppress their own rival, the manufacturer of margarine, who is, or should be, one of the beef-producer's best customers. National and state legislation to prevent this discrimination should be sought, pointing it toward the manufacturer of coconut-oil product, where it belongs.

Now more than ever before our cattle industry is entitled to tariff protection. With prices at their present level, competition from abroad, whether in live animals or in dressed beef, would be calamitous. The authorities in Washington, who so far have turned a deaf ear to representations from foreign meat-exporting countries in favor of trade agreements that would involve a lowering of duties on our products, should be given renewed assurance of our united support. This point, we think, cannot be emphasized too strongly.

In spite of a tariff rate of 6 cents a pound, canned beef from South America is continuing to come into

the United States in large volume. This should not be so. The duty should be raised. We in this country need no meat imports of any kind, and it seems preposterous that we should be subjected to them. All government agencies should be required by law to buy only the home-grown article, except in cases where this is demonstrably impracticable. We are encouraged by the recent order of Secretary Dern positively prohibiting the purchase, by the War Department, and the use in this country of supplies of foreign origin already purchased. We now have pending an application for the maximum increase possible under the law—50 per cent—in the tariff on this product.

A vigilant eye should also be kept on the efforts being made at Washington from time to time to have our law modified prohibiting importation of live stock and fresh meats from countries where foot-and-mouth disease exists. We cannot afford to expose ourselves to this danger.

In the matter of commission and stock-yard charges, we should reiterate our demand for an adjustment that in a fair degree would reflect conditions in our own industry. Substantial progress has been made in reducing commission rates at most of the principal markets. Other cases are now pending. Yardage charges appear to be beyond the control of the Packers and Stock Yards Administration, as no relief has yet been afforded. In view of the fact that thousand-pound three-year-old steers are bringing as little as $20 per head net to the producer, notwithstanding that they cost twice that amount as yearlings, it seems difficult to understand the refusal of the stock-yard companies voluntarily to readjust their schedules.

Mr. Blaine, our traffic counsel, during the past year has been diligent in looking after our interests in matters of freight rates. Lately he has argued the case of the producer in the sale-in-transit litigation, in which a decision is expected soon. It seems that the railroads are at last awaking to the necessity of modifying their policies to meet changing conditions, as evidenced by their recent lowering of passenger rates. This spirit should be humored, and its extension should be sought to take in freight as well.

Distributing costs are a problem that long has defied all efforts at solution. Under present conditions, what is left for the man who has had the labor and expense of growing the steer, after transportation and marketing charges are paid, is in most instances but a tragical pittance. Yet retail prices remain high. The packer marketing agreement offers the best hope of getting at the heart of this situation which has been afforded us in many years.

Since our last meeting, the pledge, given western stockmen at the convention in Salt Lake City in 1927, of an investigation by the Forest Service into the practicability of relating grazing fees to live-stock prices has been redeemed. An experimental system has been put into operation for basing fees upon market conditions from year to year, effecting a considerable saving for forest-users. This action is much appreciated, and the reform should be made permanent.

At the next session of Congress, to open in January, an attempt will be made to have the public-domain question settled once for all, in a way satisfactory to individual states. Several measures are likely to be presented. It is essential that this matter be carefully considered at the convention, and that the most practical recommendations possible be made.

Inasmuch as Secretary Ickes has indicated that he will not rescind the order for the removal of the drift-fences on the public domain, so long as the old law calling for their removal exists, immediate steps should be taken to have this law repealed, and to give the Secretary of the Interior power to regulate the question of fences in the public interest.

The steps taken by the government to ease the credit situation and for the protection of the mortgage-holder are appreciated and should be acknowledged.

This is only an outline of a few of the topics before the cattleman at this time. Others that vitally touch his interests—such as monetary reform, the gold standard, taxation matters, our foreign trade, recognition of Russia, building of waterways, the Civilian Conservation Corps, motor trucks, accreditation of range cattle, control of predatory animals, beef-grading, etc.—are hardly of less importance. Most of them have already been the subjects of resolutions at previous conventions, but, with the swiftly moving events, they may need restatement, modification, or clarification.

A group of speakers, each an authority within his own field, is being arranged to deal with the most momentous of these problems. In the December issue of THE PRODUCER we shall publish a detailed program of the convention, with information about railroad fares, hotel rates, entertainments, etc.

* * *

The American National Live Stock Association in the past has represented the western stockman in all matters of national scope that concerned his welfare. It does so today. It is recognized, and listened to, at Washington as his spokesman. During the year that has elapsed, its officers have labored tirelessly for the interests of the live-stock industry, often against disheartening odds. Its financial re-

sources have been too limited to enable them to do all that should have been done. Nevertheless, they feel that their endeavors have not been wholly in vain. For the continued success of the Association, it needs the continued support of every member, moral and financial. Give this in the fullest measure of which you are capable, and it will carry on.

CHARLES E. COLLINS,
President.

F. E. MOLLIN,
Secretary.

FARM STRIKES

AGRICULTURE HAS BEEN SORELY TRIED during the past decade. Unfriendly critics have charged that its troubles are largely of its own making; that land speculation and overproduction have at once increased the farmer's debt and decreased his ability to pay. As to the first charge—speculation—the only difference between the farmer and other citizens is the commodity in which they speculated. True, the farmer speculated in land, while his city friends speculated in stocks and bonds, and bought a host of luxuries on the instalment plan. So it is a case of the pot calling the kettle black.

As to overproduction, individually the farmer cannot be blamed for striving to produce enough to make a living. Only through collective effort is it possible to control production effectively, and that attempt is now being made, after efforts at price stabilization by other means have failed.

We should not, however, ignore the fact that in many other ways the farmer has not had a square deal. With his industry deflated to the point where the value of all major farm products practically reached the vanishing point, he yet had to pay out of his meager gross income tremendously high prices for marketing his crops, for telephone and electric lights (if fortunate enough to have these conveniences), for implements, and relatively high prices for other necessities. At the same time, he was constantly confronted with competition of hides from the Argentine, canned meats from the same country as well as from Paraguay and Uruguay, whale and fish oils from the seven seas, and palm and coconut oil from the tropics, because selfish interests in this country, with large investments abroad, salute the dollar mark instead of the flag that should protect us all.

Those interests, and the public-service and industrial corporations in this country still smugly collecting high charges for their services and maintaining high prices for their goods, are largely to blame for the unrest in the West today.

THE PRODUCER does not believe in the farm strike as the right weapon, even in such an emergency. Stopping deliveries and damming up supplies will only aggravate the situation. Instead, when Congress convenes, a united agriculture should demand that our tariffs be revised to stop the imports which demoralize our prices; that the Interstate Commerce Commission and other regulatory bodies quickly establish reasonable rates for all public-service corporations; and that other profiteering organizations be forced to mark their prices down. These things can be done, and done quickly. Vigorous action will allay the unrest and make simpler the more difficult problem of reducing production and restoring prewar price-levels for farm products.

TARIFF ADJUSTMENTS

VARIOUS UNITS OF THE AAA MACHINE have now begun to function for the relief of the stockman. The purchase of surplus beef for needy families is under way, credit is being expanded, and a marketing code is in the making. There remains, however, one lever which has not yet been touched: the control that would regulate the influx of such imports as might be endangering American industry. The act provides that wherever foreign competition is found to be retarding recovery in a domestic industry the Tariff Commission may lend its aid by raising import duties.

In one or another of its phases the live-stock business during its whole history has had to operate against foreign competition. For many years the free entry of hides from all over the world was part of our national policy. Even after a generous Congress fixed a 10 per cent ad valorem duty on that commodity—which, being of little practical benefit to live stock, can be considered only as a starting-point for a really protective measure—hides are still bringing so little as to cause them to be cast aside to carpet the fields. Yet foreign hides are coming in by the hundred thousand. In 1931 an average of 146,000 wet salted hides were imported a month. In August of this year more than 477,000 slipped over the tariff wall.

There was a time when oleo oil—an important by-product of cattle—through its use in the manufacture of oleomargarine provided a fair return to the stockman. Now this also has come under the withering influence of foreign competition. For the past twenty years oleo oil as an ingredient of margarine has been almost entirely displaced by foreign coconut oil, which, for the most part, comes in with-

out the payment of a cent of duty. Instead of giving tariff protection to the home product, our lawmaking bodies—both federal and state—have helped still further to limit its dwindling use by enacting numerous unwarranted regulations against the sale of margarine.

Canned beef is another item that has to put up with strong alien rivalry. Over the present inadequate duty of 6 cents a pound, that commodity is being imported in rapidly increasing quantities. From 1,500,000 pounds per month in 1931, imports of canned beef increased to more than 5,500,000 in August, 1933. Notice should also be taken of the fact that until recently various government agencies have taken advantage of loopholes in the law to make foreign purchases of this product. Pressure of public opinion, however, has finally stopped this.

The Agricultural Adjustment Act has supplied us with the means of righting some of these wrongs. To that end the American National Live Stock Association recently has made application for an increase in the tariff on canned meats. Investigation is now also being conducted into the situation relative to the hide tariff, preliminary to congressional action. In the stockman's present plight, the provision of the law empowering the administration to raise duties has ample room for operation in this field.

GOVERNMENT PURCHASES OF FOREIGN MEAT

PURCHASE OF IMPORTED BEEF BY FEDeral agencies has long been a thorn in the flesh of our domestic cattlemen. Why it should ever be necessary for our government to go outside of the borders of the United States for its meat supplies, so long as we ourselves produce an abundance of every kind, has been one of the mysteries of the trade. Repeated protests against this practice, voiced by the American National Live Stock Association and other stockmen's organizations, have accomplished little beyond eliciting the answer from Washington that in each case cost, quality, or convenience was the determining factor, and that, moreover, the procedure was fixed by law.

This alibi, it was believed, had lost most of its force when a clause was inserted in the domestic-products bill passed by Congress last spring, providing that only domestic supplies should be acquired for public use in the future, unless "inconsistent with the public interest," or unless the cost was unreasonable.

Quoting this provision, the live-stock conference held in Denver in August again took up the matter. A memorial was adopted, citing the recent purchase of imported canned corned beef for use in the camps of the Civilian Conservation Corps, and urging "that the War and Navy Departments be obliged to observe, not only the letter, but the spirit of the law, and in the future confine their purchases to American products." Copies were mailed to the two secretaries.

George H. Dern, Secretary of War, whose department was responsible for the transaction in question, admitted that "relatively unimportant" quantities of foreign canned meat had been bought in the open market at Chicago for the use of units of the corps to be transferred from eastern stations to western camps, but explained that this had been necessitated by the fact that "there were insufficient American products available for immediate delivery at the time." Further, he declared that the department at present was purchasing only domestic canned meat.

To this, F. E. Mollin, secretary of the American National Live Stock Association, replied that he was taking the subject up with William W. Woods, president of the Institute of American Meat Packers, with the suggestion that the packers ascertain from the War Department its probable requirements of canned beef in advance, so that its needs might be anticipated. He asked for the co-operation of the department, to the end that an outlet might be created for a substantial number of cattle of this type.

It seems to THE PRODUCER that, in a question of this nature, the fullest collaboration among the various branches of the government should be a matter of course. Such unity of action certainly would be in consonance with the whole policy of the present administration. For the Department of Agriculture to pull one way, and the War and Navy Departments another, at best leads only to confusion; at the worst, to far more unfortunate results. This thing of federal purchases of imported beef has ceased to be one of mere irritation with the cattleman. Besides being inconsistent, it is inconsiderate. It is a direct slap in the face of our domestic producers, who today by the tens of thousands are balancing on the brink of bankruptcy, and whom the government in other ways is endeavoring to rescue from the disaster which threatens them. We take it that the explanation offered by Secretary Dern is evidence that he recognizes the justice of this position.

* * *

On October 27 the following order was issued by Secretary Dern:

"Effective at once, all purchase of foreign foodstuffs of any kind or for any purpose is prohibited within the continental limits of the United States. No foreign foodstuffs already purchased will be issued within the continental limits of the United States. The foregoing restrictions are not applicable to tea, coffee, cocoa, chocolate, and spices. The foregoing has been communicated to the commanding officers of all corps areas, and they have been directed to advise the commanding officers of all exempted stations."

THE STOCKMEN'S EXCHANGE

CATTLE INDUSTRY AT CROSSROADS

LOS ALAMOS, CAL., October 18, 1933.

TO THE PRODUCER:

It appears that we producers have now reached a dividing of the ways. Each of the two new roads, whichever one we travel, will be a radical change from the beaten path of years gone by. As I see it, one road will involve regulation of cattle shipments just to supply the requirements of the different markets from day to day. If this method proves ineffective, then production must be curtailed. The other road would be complete monopoly of the beef industry through thorough organization (which, of course, would be necessary in both cases); slaughtering our own cattle in central slaughtering-houses owned and operated by the producers; placing the beef in our own retail stores, very similar to the chain grocery business; making sure that each piece of meat sold was exactly as represented; charging a modest price and rendering real service; broadcasting over the different radio systems and using the press to inform the people that meat is a nutritious and healthful food, that this beef was being supplied direct from producer to consumer, and that it was the aim to run this business absolutely on integrity.

As an illustration of the present system, we will say that a housewife goes into a grocery store and asks for a can of first-grade, solid-pack tomatoes. The storekeeper gives her a can which is labeled No. 1 grade, solid pack. She pays him a reasonable premium for this product, and takes it home. Upon opening the can, she finds it to be purée—not suitable for table use. This housewife would have a legitimate claim against the retailer, and also against the packer who labeled and canned the tomatoes; and, according to law, she would be compensated.

On the other hand, the same housewife goes into a retail butcher shop. As she does not know, from looking at meat, whether or not it is good, she is in exactly the same position as when she bought the tomatoes—namely, buying it on the retailer's and the packer's reputation. She asks for a No. 1 steer T-bone steak. The butcher assures her that he has a wonderful piece of meat, reaches in his show-case, takes out a dairy-cow T-bone steak, charges her the full price, and sends her home. This woman has been defrauded, just the same as when she bought the tomatoes, with the exception that she has no legal come-back. The result is that when the dairy-cow steak is placed on the stove the smell drives all the people out of the house, and when it is placed on the table the family refuses to eat it. The head of the house gives instructions not to purchase any more beef, but instead to buy fish, chicken, lamb, and so forth. You can readily see the grave injury that this practice is working on the producers of good beef and the consuming public.

I believe that this is one time in the beef industry where supply and demand are not regulating the market, because there are more cattle being slaughtered each year in the United States, demonstrating that there is a market for beef. They would surely not be slaughtering the cattle if they were not selling the beef. I believe that the packing business is conducted on a cut-throat basis, one packer trying to buy cheaper live stock in order that he may undersell his competitor. And so the game goes on, with the great overhead expense of union live-stock markets, wholesale beef concerns, jobbers, and retailers eating up the entire value of the carcass, with the result that the consumer is paying more for his meat and getting an inferior quality, and that the producer is bankrupt.

Let us, therefore, all put our shoulders to the wheel, and demand of the present meat-distributing system that it give us a reasonable portion of the true value of the meat we produce; or, if it fails to do this, take the business into our own hands, slaughtering and distributing it ourselves. The cowman today is as poor as the proverbial southern cotton-producer in years gone by. The present market all over the United States is signing the bankruptcy papers for practically every beef-producer. We need organization and help now—not a year from now, nor even six months from now.

J. A. ELMHIRST.

HIGHLAND FEEDER SALE A SUCCESS

MARFA, TEX., October 17, 1933.

TO THE PRODUCER:

We have just finished putting on our Highland Fair and Feeder Sale. It was a success, and prices on calves far exceeded our expectations. The first two loads of prize steer calves and the first load of steer yearlings are being fed for the International in 1934.

We had a good banquet. R. E. Thomason, our representative in Congress, gave a fine talk, in which he said that, if we would tell him what we wanted in the way of cattle legislation, he would help us get it. We are thinking of holding a meeting soon, but first we want to find out what measures the American National Live Stock Association and the Texas and Southwestern Cattle Raisers' Association have on their program. We must all work together, and this organization is anxious to do its part. If we can think of anything in addition, we will submit it.

There have not been any new sales of cattle here, but I understand that an attempt will be made to move some of them soon. The country around here is in fine shape, so we do not have to unload to get relief.

DR. A. J. HOFFMAN,
Secretary, Highland Hereford Breeders' Association.

"I think THE PRODUCER is the best magazine for the range and semi-range interests that I have ever read."—S. S. SEARS, Hyannis, Neb.

WHAT THE GOVERNMENT IS DOING

WHAT IS DOING AT WASHINGTON

FOLLOWING IS A REPORT OF DEVELOPMENTS AT Washington during the last month of special interest to stockmen, as reported by Secretary Mollin, who has been at the national capital most of the time since September 1:

Beef-Purchasing Program

The FSRC (Federal Surplus Relief Corporation) has advertised for bids on 15,000,000 pounds of canned beef, the bids to be received not later than November 6. The FSRC is the purchasing agency for the FERA (Federal Emergency Relief Administration), which has 3,500,000 families, or some 15,000,000 individuals, on its relief lists. This is the first purchase of beef, and will be followed at intervals by additional orders. It is stated that the FERA bases its estimates on about eight pounds of beef per family per month, and that total purchases will reach the $20,000,000 mark. Half of the funds will be advanced by the AAA (Agricultural Adjustment Administration) from compensating taxes.

Each 15,000,000 pounds will take the bulk of the product from 75,000 cows. Heavy purchases will be rushed during the next two or three months, and the product stored.

First specifications require that the bidder must certify the *minimum* price paid, which clearly indicates that the FSRC is not going to see how cheaply it can buy, but rather is interested in a fair price being paid.

Orders will be well distributed over the country—more in accordance with cattle supply than with relief needs, which is fortunate for the West.

Hang on to your Old Nellies! They may yet give a fairly good account of themselves.

Packer Marketing Agreement

After much unnecessary delay, it now appears that a show-down on the packers' marketing agreement may be expected. A conference is to be held here on November 3, and it is my belief that the agreement will soon be put through. The producers' committees (on both cattle and hogs) have concurred with the processors' committee on all important details directly affecting them, leaving to the AAA the working-out of a satisfactory provision for checking packers' reports. Trouble over reaching an understanding on the hog processing tax caused the agreement temporarily to be laid aside by the AAA. Producers, however, have insisted on action being taken, as it is their football that is being kicked around, and many things which might materially help the industry cannot be attempted until this basic agreement is adopted.

Compensating Taxes on Beef Cattle

At a hearing held at the Mayflower Hotel on October 30, I called attention to the fact that, due to the loss of export demand, hogs are selling far below their usual price parity with cattle. For instance, pre-war parity prices (the aim of the AAA) are $7.22 on hogs and $5.21 on beef cattle, while on October 15, 1933, prices were $4.17 on hogs and $3.50 on beef cattle. I urged that the compensating tax be started on a low basis, so as not to disturb the market until the need for any larger amount is demonstrated.

Fortunately, the AAA has assured us that any taxes imposed on beef cattle will be used for the benefit of the industry in the way of beef purchases, etc.

Oleomargarine

A hearing on oleomargarine was held on October 16. I urged that the compensating tax on margarines in connection with a processing tax on butter be figured in relation to the value of the two commodities; further, that when a compensating tax was placed on beef cattle there should not be double taxation by again taxing oleo oil.

In a communication to AAA officials, I strongly recommended that any dairy cattle taken out of production in connection with the milk-production program should not be marketed through regular channels; also, that any compensating taxes placed on oleomargarine be used for the purchase of product manufactured 100 per cent from domestic fats and oils, and be matched by purchases made out of FSRC funds, the entire amount to be distributed through the FERA.

Oleomargarine Marketing Agreement

On October 11 I attended a preliminary hearing on the above agreement and urged its adoption. Of particular interest to cattle-producers is the clause specifying that after January 1, 1934, all material used in manufacturing the product shall be of domestic origin.

Tariff on Canned Meats

On October 27 we petitioned the AAA to use its influence in securing an immediate increase of 50 per cent in the present 6 cent tariff on canned meats, imports of which have been growing rapidly during the past summer, in spite of our declining market. Quicker action can be obtained in this fashion than by direct application to the United States Tariff Commission.

Tariff on Cattle Hides

Imports of cattle hides for the first nine months of 1933 practically doubled those for the entire year 1932. The maximum increase in the duty possible under the flexible provision of the Tariff Act—50 per cent—with our present nominal duty of 10 per cent, would be of small benefit. I believe a strenuous effort for a real tariff on hides should be made in the next Congress, whether or not there is a general revision.

Removal of Fences from Public Domain

Secretary Ickes has refused to rescind his order, but has indicated that enforcement will not be pressed until Congress has had an opportunity to consider legislation dealing with the public domain.

Sale-in-Transit Privilege

Oral argument in this important case was held here late in October. Charles E. Blaine appeared for the American National Live Stock Association. In making a strong protest against the $15 fee suggested by the examiner in connection with the restoration of the privilege, he was joined by representatives of other producer organizations and of many of the live-stock markets. A more favorable final decision is expected at an early date.

Farm Credit Administration

Announcement has been made that the FCA (Farm Credit Administration) will consider 100 per cent loans on good-quality young cattle for roughing through the winter, provided the applicant is a good risk and has ample feed. A request for such loans was telegraphed to Governor Morgenthau late in September by President Collins.

F. E. MOLLIN,
Secretary.

PROCESSING TAX ON CORN AND HOGS

BENEFIT PAYMENTS AGGREGATING A MAXIMUM of $350,000,000 to farmers who reduce their corn acreage by at least 20 per cent and the number of sows farrowing by 25 per cent during 1934 have been decided upon by Secretary of Agriculture Wallace and George N. Peek, Administrator of the Agricultural Adjustment Act, with the approval of President Roosevelt.

Farmers agreeing to cut their corn crop will be paid a rental of 30 cents a bushel for each acre removed from production, based on average yield for the past three years—20 cents upon acceptance of the contract and 10 cents after August 1, 1934, upon evidence of fulfilment of its terms.

Hog-raisers participating in the plan will receive adjustment payments of $5 per head on hogs equaling 75 per cent of the average number farrowed during the preceding two-year base period—$2 on acceptance of the contract, $1 about September 1, 1934, and $2 about February 1, 1935. To qualify for the payments, growers must also agree not to increase the average number of hogs bought and fed for market.

In combination with this plan, a second method for controlling production and raising the price of hogs will be put into operation, if and when necessary, involving removal from the regular channels of trade of live hogs or cured hog products in such quantities as may be deemed advisable.

The program will be financed through a processing tax on both hogs and corn. On hogs, the initial tax will be 50 cents per hundred pounds of live weight, to become effective November 5, 1933—the beginning of the first marketing year. This tax is to be increased to $1 on December 1, $1.50 on January 1, and $2 on February 1, 1934, at which figure it will remain during the marketing years 1933-34 and 1934-35. On corn, a processing tax of 28 cents a bushel will be levied, beginning November 5, simultaneously with the tax on hogs. If necessary, compensating taxes will be imposed upon competitive products, domestic as well as foreign.

Land taken out of corn production may be used for pasture, meadow, soil-improvement, and erosion-prevention crops.

The corn-hog production section will be under the direction of Dr. A. G. Black. In the various states, details will be in the hands of county corn-hog production associations, to be set up.

BASE FOR FOREST GRAZING FEES

[EDITOR'S NOTE.—The following letter from C. E. Rachford, Assistant Forester in charge of the Branch of Range Management of the Forest Service, is in reply to a request by Secretary Mollin for a complete statement of the basis upon which the recent adjustment of grazing fees was made.]

WASHINGTON, D. C., October 19, 1933.

DEAR MR. MOLLIN:

The following discussion will, I trust, present the information requested by you.

You will recall that in the Forester's memorandum for the Secretary of Agriculture, dated May 18, 1933, a copy of which was sent your office, it was decided to use the prices received by producers for beef cattle in the far-western states during the ten-year period 1921 to 1930, inclusive, as the basis for adjusting grazing fees. The basis for the price data for the years 1921, 1922, and 1923 was taken from Table No. 356, Department of Agriculture "Yearbook" for 1930. For the years 1924 to 1930, inclusive, the figures were those revised by the Bureau of Agricultural Economics on the basis of more complete information. These latter figures are somewhat lower than those published in the "Yearbook," but will be comparable to the figures which will be published in subsequent issues of the "Yearbook."

The estimated average prices per 100 pounds received by producers in the United States for beef cattle during the ten-year period 1921 to 1930, inclusive, according to the above authority, were as follows:

1921	$5.44	1926	$6.80
1922	5.43	1927	7.70
1923	5.57	1928	9 50
1924	5.90	1929	9.50
1925	6.60	1930	7.70
Straight average			$7.01

In view of the fact that it was deemed fairer to use the price of cattle received by producers in the far-western states, since those states represent the region wherein the cattle graze on the national forests, it was necessary to adjust the above figures so as to conform with prices received in the far-western states. Up until 1929 weighted average prices of beef cattle sold in the far-western states were not available. Such figures for the four-year period 1929-32 are as follows:

Year	Price in Far-Western States	Average Price in United States
1929	$9.00	$9.50
1930	7.20	7.70
1931	5.10	5.50
1932	4.13	4.25
Average (straight)	$6.36	$6.74

On the above basis, the average price received by producers in the far-western states for the four-year period was 5.6 per cent less than a comparable price for the entire United States. It was considered by the Bureau of Agricultural Economics fair to assume that this same relationship prevailed throughout the ten-year period used as the basis for calculating average beef-cattle prices. Accordingly, the average price in the United States for the period 1921 to 1930—i. e., $7.01—was reduced by 5.6 per cent to represent the

average price in the far-western states. Thus reduced, the price became $6.62. This is the average base price that was used in the formula to establish the grazing fees for 1933. This formula is stated on page 3 of the Forester's memorandum for the Secretary, dated May 18, 1933, as follows:

6.62 : 14.5 :: 4.13 : X (average fee for 1933)
X=9.05 cents per head per month

You requested information regarding lamb prices received by producers in the eleven western states for each year used in reaching the new grazing-fee basis. Since the information regarding lamb prices for the eleven western states has been prepared by the Bureau of Agricultural Economics on a purely weighted basis only during the period 1929 to 1932, as in the case of beef-cattle prices, it was necessary to make the same adjustment in the figures available as was done in the case of beef-cattle prices. It was found that the average lamb prices received by producers in the far-western states were 4.3 per cent less than the prices received for lambs in the entire United States. The prices of lambs, as published in Table No. 404, Department of Agriculture "Yearbook" for 1930, have been revised by the Bureau of Agricultural Economics for the years 1924 to 1932 similarly to the adjustments made in the prices of beef cattle. As requested by you, I am including in the following table the prices per 100 pounds received by producers in the United States for beef cattle and lambs each year during the period 1910 to 1932, inclusive. As stated in the Forester's memorandum for the Secretary of May 18, 1933, the period used in arriving at adjusted grazing fees for sheep included the years 1920 to 1932:

Year	Beef-Cattle Prices	Lamb Prices
1910	$4.78	$ 5.79
1911	4.46	5.28
1912	5.14	5.96
1913	5.91	6.03
1914	6.24	6.49
1915	6.01	7.38
1916	6.48	9.50
1917	8.17	13.60
1918	9.46	13.65
1919	9.61	13.05
1920	8.38	9.41
1921	5.44	7.83
1922	5.43	10.30
1923	5.57	10.54
1924	5.90	10.80
1925	6.60	12.40
1926	6.80	11.70
1927	7.70	11.60
1928	9.50	12.10
1929	9.50	11.90
1930	7.70	7.70
1931	5.50	5.60
1932	4.25	4.45

Yours very truly,
C. E. RACHFORD.

FREE PORK FOR THE HUNGRY

CURED PORK FROM THE SLAUGHTER OF HOGS under the emergency program of the Agricultural Adjustment Administration is now being distributed, under federal supervision, among needy families, in virtually every state of the Union. This is in addition to the regular allowances provided by relief agencies.

A total of 6,199,948 pigs were killed during the five weeks of the marketing period. This number included 5,116,201 pigs, coming especially from drought-stricken regions, that were too small to be processed except at heavy cost, and were converted into tankage and inedible grease. The remaining 1,083,747 pigs, together with 220,037 piggy sows, were turned into meat in seventy-eight packing plants. Nearly 100,000,000 pounds of pork were thus obtained.

The cost of the program will be about $35,000,000, of which approximately $31,000,000 has already been paid to farmers for the live animals.

It is announced that the government will continue to buy pork indefinitely, at the rate of 50,000,000 pounds a month.

COMMODITY CREDIT UNIT ORGANIZED

CREATION OF A NEW UNIT TO LEND FUNDS ON security of commodities, in connection with the Reconstruction Finance Corporation, has been effected at Washington. Through this organization, which is to be known as the Commodity Credit Corporation, the President will be enabled to extend immediate financial aid to farmers by establishing prices and controlling production of any commodity. The first activity will be the lending of 10 cents a pound on cotton to growers who agree to restrict their acreage next year.

Initial capitalization will be $3,000,000, but this may be expanded by executive order. Interest to the borrower will be at 4 per cent.

PETRIE TO BE ADVISER TO DAVIS

HARRY A. PETRIE, OF RED BLUFF, CALIFORNIA, and formerly of Denver, has been appointed cattle and sheep adviser to Chester C. Davis, director of the Production Division of the Agricultural Adjustment Administration at Washington. Mr. Petrie was formerly engaged in the commission business at Denver, and for a while was manager of the Denver Union Stock Yards. During the past three years he has been connected with a private live-stock loan corporation. He is a practical stockman and thoroughly familiar with live-stock conditions in the West.

WASHINGTON SIDE-LIGHTS

F. E. M.

TAXICABS RUSHING MADLY TO AND FRO. HOTELS full. Earnest arguments on codes floating over transoms. Prices marked up—$1.25 being charged for a 75-cent meal; but, to temper the blow, you have the choice of a salad or a dessert.

Nine officials of the AAA solemnly lined up behind a table at the hearing on a processing tax on milk products. Wonder how many of them ever milked a cow!

The army takes Washington. There are more generals, majors, captains, and lieutenant-commanders in the NRA, the AAA, and the FERA (Federal Emergency Relief Administration) than there are in the Mexican army—and that's going some!

New buildings going up, old buildings coming down, on a vast scale. A marvelous city in the making!

New administrations filling up new buildings, with new employees, as fast as they are finished. Tough on the regulars, patiently waiting in the "temporary" quarters ever since the war!

Every odd corner crowded with job-hunters filling out application blanks.

But, with all the hustle and bustle, do not be misled and fear that things are moving too fast. It is still Washington, AND THINGS DO MOVE SLOWLY.

OUR TRAFFIC PROBLEMS

TRANSPORTATION NEEDS OUTLINED BY MR. EASTMAN

IN AN ADDRESS BEFORE THE ASSOCIATED TRAFFIC Clubs of America at Baltimore on October 24, 1933, Joseph B. Eastman, former member of the Interstate Commerce Commission and now Federal Co-ordinator of Transportation, told of what his organization is doing in the way of gathering facts as a basis for definite recommendations both as to changes in railroad service and as to new transportation legislation. A few abstracts follow:

On the subject of less-than-carload traffic, Mr. Eastman, among other things, said:

"Less-than-carload traffic produces less than 2½ per cent of the freight tonnage which railroads carry and about 10 per cent of the total freight revenue, but in 1932 it required 32 per cent of the total loaded cars to move it. The average loading of carload freight is about 34 tons per car, but the average loading of less-than-carload freight in 1932 was less than 2 tons per car. The type of car which is built to meet the requirements of carload freight is also used to handle these small lots of package freight. . . .

"Under modern conditions, there is no essential difference in character between less-than-carload freight and the shipments which express companies handle, and a large amount of the same kind of traffic is handled by the forwarding companies, which assemble small lots so that they can be shipped in carload quantities and live on the spread between the carload and the less-than-carload rates. Another large quantity of the same kind of freight is hauled by trucks. These several services require the maintenance of separate organizations, soliciting staffs, and terminal facilities which involve a large amount of duplication, and this duplication is magnified by the fact that each railroad system has its own separate organization, to say nothing of the considerable number of forwarding companies and the multitude of individual trucking operations.

"Our figures—which are approximations, relate only to movements by land, and do not include the parcel post—indicate that in 1932 railroads carried 32 per cent of the package freight; forwarders moved 11 per cent, the bulk of which went by rail; express companies moved 3 per cent; and trucks handled 54 per cent. These figures are based on tons and not on ton-mileage. The percentage of ton-miles would be considerably larger for the railroads, as their hauls are longer. . . .

"As indicating how the railroads handle their less-than-carload freight, there are six railroads operating out of New York in the direction of Chicago, but there are as many as forty-four different routes over which merchandise cars operate from New York to Chicago on regular schedules. In consequence, it took about 12,000 cars to handle this traffic in 1932 and about 11,000,000 car-miles, with an average load per car of about 4 tons. On the basis of the average load of the forwarding companies between the same points, the same traffic could have been handled as adequately and expeditiously with 2,800 cars and about 2,500,000 car-miles. From New York there are four railroads which take merchandise traffic from Philadelphia, but it is handled over seventy-one different routes. In the opposite direction between these points the merchandise traffic moves over ninety-nine different routes. These figures are representative of what is going on all over the country. . . .

"Perhaps the greatest handicap which the railroads suffer in competing for merchandise traffic is slow service, due principally to the time lost at terminals, not only in receipt and delivery, but in interchange, to the necessity for transfers en route, and to distribution by way freight trains. . . . Not only do these conditions reduce speed of transit, but they add immeasurably to cost. . . . Another handicap which the railroads suffer in competition is the character of their less-than-carload rate structure and classification, which were designed at a time when truck competition was unknown, and give great weight to the so-called value of the service as well as to cost of transportation. . . .

"These are only a very few of the salient facts, but I believe that they sufficiently indicate the need for studying the manner in which merchandise traffic is now handled and the probable opportunities for important improvements."

With reference to passenger traffic, Mr. Eastman had this to say:

"The passenger traffic study on which the Section of Transportation Service is now embarking will to a considerable extent be an effort to develop what the American traveler wants in transportation. Does he want speed of ninety miles an hour or more? Does he demand personal pick-up and delivery? How much is he prepared to pay for transportation? Why does he ride automobiles, and why doesn't he ride the railroads? What is his candid opinion of railroad selling and railroad advertising? What faults has he to find, and what improvements has he to suggest at stations and in coach, Pullman, parlor car, and diner services and accommodations? Does he want sound-proofing, air-conditioning, rubber tires, or other devices for comfort in traveling? . . . This survey will be supplemented by considerations of possible ways and means of improving the service, and at the same time making it more economical to furnish."

Concerning carload traffic he said:

"The study of carload traffic, which is scheduled to begin about December 1, probably has within it greater possibilities for good than any other which the Section of Transportation Service will undertake. It will seek the answer to many questions about which there has been much more or less impassioned argument, but a marked paucity of facts. The section will endeavor to measure the volume, origin, and destination of available carload traffic grouped by principal commodities, and the distribution of this traffic among the several transportation agencies which are to handle it. It will investigate the needs of shippers with respect to the kind of equipment, size dimensions and design, facilities for loading, protection of lading, the speed and completeness of the service, and within a limited field the charges which each class of traffic will bear. It will appraise the extra transportation expenses incurred by shippers in furnishing and maintaining sidings, platforms, docks, etc., and in packing, crating, and draying their freight to and from the rail-head. It will examine the possibility of securing better and more economical transportation service through the adoption of lighter equipment, and a number of other proposed changes in equipment design.

"It will analyze and compare methods, practices, and costs of rendering the service in the cases of each agency of transportation in the handling of carload traffic from the beginning to the end of the movement, separated between line and terminal, between the different classes of terminal service, such as team, track, industry track, and interchange tracks, and by different types of trains on main lines and branch lines.

It will attempt to appraise the desirability and cost of store-door collection and delivery of carload traffic from the standpoint of both shipper and carrier alike, and also to determine the extent to which terminals can be motorized with economy of time and money. . . ."

On the matter of railroad consolidation, Mr. Eastman made this explanation:

"The consolidation plan of the Interstate Commerce Commission, which has gone through many vicissitudes at much trouble and expense to all concerned, is based on the present law, which requires competition to be preserved as fully as possible in any such plan. It is a part of my job to consider whether laws should be changed. The major economies obtainable from railroad unifications are probably gained through the elimination, reduction, or change of competitive conditions, and the wastes incident thereto. Various plans have been suggested for much more extensive consolidations than have hitherto been contemplated or would be possible under the present law, and it is claimed for these plans that they would result in huge economies, obtained largely through a concentration of through traffic over the most efficient lines and a unification of terminal operations. The savings claimed are too great to be disregarded. In my study of the need for further legislation, I have deemed it my duty to give this matter attention. I hope to find out whether these promised economies are real or fanciful, and to consider, also, what the effect of such a reorganization of railroad operation would be on commerce and industry, on the development of communities or localities, on management, and upon labor, and what financial difficulties might arise in bringing such consolidations to pass. . . .

"What conclusions I shall finally reach on this matter I do not know, for the facts are not yet in, but I can make certain observations at this time. No plan of this sort could in any event be consummated without further legislation, so that the opportunity to thresh the matter out before Congress is bound to be open. It would probably be an essential, under present conditions, that the plan should be capable of consummation without the expenditure of much, if any, cash capital; that it should not increase, but instead reduce, total railroad fixed charges; that some provision should be made for alleviation of the effect upon labor; that it should not have the effect of building up a comparatively few favored points or localities at the expense of others, by unbalanced concentration of competition or otherwise; that the systems should be capable of efficient management; and that the general public interest should be adequately safeguarded in the management."

WYOMING WINS FREIGHT-RATE CASE

BY A RECENT ORDER OF THE INTERSTATE COMmerce Commission, all of the State of Wyoming has been placed in the Western Classification Territory, instead of the Mountain-Pacific Territory, as heretofore. This decision, it is expected, will save the people of the state millions of dollars in freight charges annually. The case had been vigorously prosecuted by the Wyoming Public Service Commission and ex-Governor Chatterton, to whose efforts the victory is largely due.

BLAINE CHOSEN VICE-PRESIDENT OF TRAFFIC PRACTITIONERS

CHARLES E. BLAINE, OF PHOENIX, ARIZONA, traffic counsel of the American National Live Stock Association, was elected vice-president of the Association of Practitioners before the Interstate Commerce Commission at the convention of that organization in Washington, D. C., on October 20. Walter McFarland, of Chicago, was made president, and W. H. Chandler, of New York City, chairman of the Executive Committee.

THE MARKETS

LIVE-STOCK MARKET IN OCTOBER

BY JAMES E. POOLE

CHICAGO, ILL., November 1, 1933.

IF MEAT TRADE IS A BAROMETER OF INDUSTRIAL conditions, industry must be in a bad way. Cattle, hogs, and lambs declined 75 cents to $1 per cwt. during October, closing around the lowest levels of the month. Cattle showed no recuperative power, hogs gained 25 cents per cwt. only when the country sharply cut loading, and, although lamb trade occasionally staged a "come-back," spasmodic advances were promptly checked. At the close of the month, $6 per cwt. bought steers good enough for any trade, heavy bullocks had difficulty in getting past $5.25, and feather-weight heifers topped the market at $6.25. Only stock cattle picked up during the month, due to a declining corn market and deferred purchasing by feeders who had waited for a bargain sale. Hogs, after advancing to $5.55 at Chicago, slumped precipitously to $4.40, reacting about 25 cents per cwt. on meager supplies. Top lambs declined from $7.75 to $6.90, closing at $7.25. Retailers and public eating-house operators marked up prices, the case of fresh pork being a conspicuous example. Any advantage held by live muttons was due solely to a buoyant wool market, without which growers would have been getting last year's prices.

Heavy Steers Again Dragging

Choice cattle fared worst in the melée, no reliable market existing for bullocks weighing over 1,300 pounds. For this semi-demoralization it must be admitted that feeders were partly responsible, as they held big steers past their logical market, making added weight and burdening beef channels with unsalable product. Thousands of New York kosher cattle weighing 1,400 to 1,600 pounds invaded the market, some of them going a whole week without eliciting bids. Light cattle—especially weights below 900 pounds—always got action, regardless of quality or condition. The spectacle of 800-pound steers that had barely tasted corn selling in snappy fashion at $4.50 to $4.75, while three-month cattle weighing 1,200 to 1,300 pounds were hard to sell at $4 to $4.25, was conspicuous. Little native grass steers at $3 to $3.50 were prize packages with both packers and city butchers. Even the long-yearling type of good-to-choice steers, weighing 1,050 to 1,100 pounds, were penalized, heifers out of car-lots selling 25 to 50 cents higher than steers. All through the month, killers backed away from weight, prompting feeders to unload short-fed steers weighing 1,100 to 1,200 pounds, in fear of acquiring excessive weight. The proportion of finished 1,300- to 1,500-pound steers was the largest in the history of the trade, at least in recent years, many heavy bullocks selling at $4.50 to $5. These cattle were not choice, but they were big chunks of fat beef with merit.

October Prices $1.50 below July

Compared with the high time in July, closing October prices were $1.25 to $1.50 per cwt. lower. Steers in the 1,400-pound class, good enough for the International car-lot show, dropped from $7.50 to $6; at the corresponding time last year they were worth $9.75, cost at installation in the feed-lot having been identical, or around $6. Many heavy steers lost feeders $25 to $50 per head in the finality of the operation, although light cattle either held the money together or showed a profit. A more convincing demonstration that consumers can absorb only a modicum of heavy beef could not be desired, New York orders frequently excluding even a single steer weighing in excess of 1,100 pounds, narrowing competition on weight almost to the vanishing point.

Weighty Bullocks Carry Everything Down with Them

Running true to form, the disaster of heavy bullocks exerted a depressing influence on everything and anything wearing a hide. Chicago received a scanty supply of grass beef, a delegation of $3.25 to $3.85 northwestern steers going to the butcher, and another column from the Southwest at $3 to $3.75, fat Kansas pasture steers selling in the $3.50 to $3.75 range. The top on northwestern range steers to killers was $4.50, yearling feeders making $5.25. The flop in western cattle prices uncovered the most disastrous market of the century, from a grower's standpoint, cows faring even worse than steers. Late in the month western cows gained 25 to 40 cents per cwt., consequent on news of a government purchase of 15,000,000 pounds of cow beef for relief purposes, involving about 30,000 head. Acres of dairy refuse sold anywhere from $1 to $2 per cwt., good western cows going over the scales at $2.25 to $2.75, good 1,200-pound offerings making $3 to $3.25, and bulls $1.50 to $2.50. Range heifers fared better than cows, but had to be content with a $3.25 to $4.25 market, nothing passing $4.60.

Feeders in Despair

Buoyed by hope all through the summer, while waiting somewhat impatiently for the seasonal rise, feeders were plunged into despair, bordering on panic, as buyers "chiseled" or shaved prices. Few in the trade realized earlier in the season how many fat cattle the country had concealed in its capacious sleeve, much less the tonnage involved. The market stage was set for this debacle late in 1932, when Uncle Sam began pouring millions into cattle-purchasing channels, loading both

regular and transient feeders with a crop of steers at prices that, in the light of recent events, lost money from the moment of acquisition. Corn was dirt-cheap, and every Tom, Dick, and Harry able to get a loan laid in cattle, creating ruinous competition at selling time for regulars. Many of the amateurs cashed when corn began working up, to their mutual advantage; regulars holding on, expectant that the $9 to $10 market of 1932 would repeat. The July advance was a "fooler," prompting holding, on the theory that returning national prosperity, plus monetary appreciation, would prove advantageous; but, as the dollar worked down to a 65-cent basis, cattle values kept it company, dispelling contention that cheap dollars and high-cost commodities are closely related. A year ago feeders received 100-cent dollars for cattle realizing anywhere from $8 to $10.25 per cwt.; on this occasion they handled 65- to 75-cent dollars paid for cattle realizing $5 to $6.50 per cwt., resultant profanity being distinctly audible.

Spread Exceptionally Narrow

Spreads have been phenomenally, if not unprecedentedly, narrow, further penalizing quality and condition. At the end of October, a range of $5 to $6 took most of the finished bullocks on the Chicago market, ranging in weight from 1,500 pounds on the low side down to 1,000 pounds on the high side of the money. A raft of yearlings cashed in the $5.50 to $6 range, and enough heavy bullocks at $4.75 to $5.50 to break a chain of national banks, had the aggregate lost to owners been possible of computation. This does not include the leggy and rough brutes with weight, for which $4.25 to $4.50 was the market gait. Good 1,450- to 1,500-pound steers cost considerably less in the beef than light trash appraised at the same basis on the hoof.

Heifers in Brisk Demand

Deserving passing mention is the heifer deal, for which precedent is scarce. In a scramble to evade weight, killers grabbed heifers weighing 600 to 750 pounds, at prices absurdly out of line with good steers, paying $6 to $6.50 for the pick of the crop, and $5 to $5.75 for a raft of 700- to 900-pound female babies that, from a yield and quality standpoint, were travesties. If steer-feeders held the small end of the stick, heifer-handlers toted portly pocket-books, margins of $1.50 to $2 per cwt. on short feeds being common. Each day the available heifer supply was cleaned up and on its way to the shambles before steers got even a nod from buyers, the product moving into distributive channels the moment it was decently chilled. Thousands of merely warmed-up heifers were prematurely dislodged, to realize far better than steer prices.

Slaughter Far in Excess of Last Year's

Slaughter has been heavy right along, tonnage excessive. September-to-December beef production, on both numerical and tonnage bases, will be the heaviest in many years, 1933 slaughter promising to exceed that of 1932 by 650,000 head. During the first nine months, federal slaughter statistics showed that 6,296,000 animals had been processed—an increase of 560,000 over 1932; and each week is piling it up. September slaughter was 821,000, against 717,000 last year. October will run a close second. It is the logical sequence of cheap corn and easy government money.

Hog-Market Prospects Not Very Bright

Current swine annals do not warrant optimism. Following the pig party, prices made sharp gains for a brief period, but the shadow of a processing tax soon beclouded the prospect. Either killers had a hunch or a leak developed, as on the eve of tax announcement they broke the market 50 cents; then, for good measure, they took off another half-dollar, average drove cost at Chicago flirting with $4 per cwt. at the low time, and the top sagging to $4.40, from which a recovery of 25 cents was effected, but only when the country reduced supply to barely sufficient volume to care for current fresh-meat demand. Packers resumed country buying, which had been partly suspended while they were working on government pigs, and, had it not been for city butcher demand, a set of quotations could not have been made daily. Announcement of reprisals from Washington merely elicited a "we'll-go-along-with-the-program" from Packingtown. Coincident with a dollar decline in hogs, pork loins advanced to a 15- to 16-cents-per-pound basis, putting pork chops at 25 to 27 cents per pound in the luxury category.

Effects of Processing Tax in Doubt

Impending hog-trade events are beyond human ken, but consensus of opinion is that a 2-cent processing tax will be the last straw to break the animal's back. By December 1 the tax will be 1 cent; on January 1, 1½ cents; the 2-cent maximum being reached on February 1. That phase of the Corn-Hog Committee's report advising a 1-cent bounty on hogs weighing 220 pounds down was officially scrapped, no other course being possible. Corn and hog restriction benefits are to be paid without touching Uncle Sam's plethoric pocket-book. An impression existing in the country that the tax is to be added to the market price of hogs after November 5 had the effect of reducing October marketing to small volume. What growers will do when they realize that tax proceeds are to be applied for benefit payments remains to be developed. New-crop hogs, which are plentiful, must move freely during November and December, furnishing a test of the ability of the market to absorb generous receipts. If packers have a definite policy, they are keeping it to themselves, nothing on the subject having been divulged at their annual convention in Chicago the last week of October, although Thomas E. Wilson, in the capacity of spokesman, took an antagonistic attitude. Contrasting the several commodity processing taxes

already announced, he stated that the tobacco tax was equal to one-half cent on a package of cigarettes, the cotton tax to 1 to 2 cents on a shirt, and the wheat tax to one-half cent on a loaf of bread, but that the tax of 2 cents per pound on hogs put an additional burden of 6.8 cents on a pound of boned ham, 4.32 cents on pork chops, and slightly less than 4 cents on bacon. As the retailer invariably puts on something for good measure, consumer protest is probable.

Consumer to Be Decisive Factor

In anticipation of a tax of approximately 1.8 cents per pound on their floor stocks—about 800,000,000 pounds—processors are making strenuous effort to evade payment. They have resorted to exporting, placing meat and lard in the hands of distributors who get an extra thirty days of grace before required to step up and settle, and reducing current slaughter. Cutting charts have been changed with the object of sending every possible pound of meat into fresh-pork consumption immediately. The genesis of a row between processors and the Secretary of Agriculture already exists, the latter making threats of assuming control of processing and distribution, should hog prices decline to the extent of the tax, as it progressively rises. Packers have replied that they do not control the market, and that consumer attitude must be reckoned with. What may happen is refusal of the market to absorb hogs as they are ready, resulting in an accumulation in the country. Despite pig slaughter, the new crop of hogs is more than ample for domestic needs, and corn conditions are such that early marketing is inevitable, as growers are reluctant to run into weight, especially as lard must bear its share of the tax, while substitutes are immune.

Lamb Outlook Reassuring

Lamb has a market of its own, but has been caught in the general down-swing of prices. Currently it is a $6.75 to $7.25 trade at Chicago. The horizon is clear; the western run of fat lambs is in; natives will be garnered by Christmas, and the first heavy run of fed lambs will be somewhat later than usual. Feeders are banking on a $7.50 to $8.25 winter market; otherwise they would not be greedy for second cuts of westerns at $6 to $6.50. They are basing their calculations on maintenance of present wool prices, if not further appreciation, light winter feeding east of Chicago—in fact, of the Mississippi River—and short replacement in Colorado. Packers are resorting to every possible expedient to hold down the market lid, lambs of their own feeding being utilized to check advances, and the fall clean-up in Minnesota and the Dakotas helping their program in emergencies; Fargo, North Dakota, and St. Paul having acquired prominence on the lamb-market map. Not a pound of lamb has gone into freezers, each week's production passing promptly into consumption. Packers have taken throw-out natives and second cuts of westerns voraciously, to eke out their meat supply, and at intervals get into a jam at the market, temporarily scrapping agreements and buying for numbers. Viewed from every angle, the winter lamb prospect is reassuring.

LOW POINT IN STOCKER VALUES REACHED IN OCTOBER

J. E. P.

STOCK-CATTLE VALUES UNCOVERED THE SEASON'S low basis early in October, when tardy feeders who had been waiting for a bargain sale concluded that the tide had definitely turned. Both at the central markets and at country sales interest revived, clearances were prompt, and, especially in the case of light stockers, the trade acquired a healthy aspect, volume exceeding that of the corresponding period of 1932, at prices averaging about $1 per cwt. lower. A sharp break in corn stimulated cattle replacement, although buyers were conservative, ignoring quality in an effort to get away from price.

Despite this pick-up, the July-to-October purchases at the markets were considerably less than during the corresponding period of 1932, Chicago, Kansas City, St. Paul, and Omaha reporting a decrease of approximately 120,000 head, and the country-sale score will show a proportionate shrinkage. Many sections of the Corn Belt—notably Illinois and Indiana—are out of the stocker market, as, between drought and chinch bugs, the corn crop was a failure. Cattle going into feed-lots this season have been acquired at such a low basis that, if they do not pay out in the finality of the operation, the industry is sunk. A surprisingly large number of steers have gone into feeders' hands below the $3 line—some as low as $1.75. Late in October an Illinois feeder put up a drove of 200 head at an average cost of $2.50, prices ranging from $1.75 to $2.85, with an average weight of 917 pounds. The bulk of the medium-to-good stockers sold in a range of $3.25 to $4.25, good 1,100-pound western cattle costing $3.40 to $3.75, feeders frequently outbidding killers on fleshy steers. At Chicago choice 750-pound Wyoming yearlings sold at $5.10, hand-picked Nebraska and Montana calves at $5.25 to $5.50, but $4.25 to $4.50 took the long string of yearlings, the bulk of the calves going to feeders at $4.50 to $5.

A semi-paralyzed fat-cattle market exerted a depressing influence on fleshy-feeder demand, few two-way steers going to

the country, although they were a good purchase when new cost of making gains is reckoned with. But with fat steers $3 to $3.50 per cwt. lower than at the corresponding period of 1932, beef-makers considered a depreciation of only $1 per cwt. on stock cattle meanwhile out of line.

The market movement this year will afford no adequate idea of the number of cattle installed, as no record of the direct movement of cattle acquired at interior sales or steers put out on contract is available. The latter are included in the direct movement, and, if a count was possible, would show a decided increase, as many western owners took a chance on higher prices for the new crop of beef by putting cattle out with farmer-feeders mainly at market price for the gain.

Recovery by the fat-cattle market would stimulate demand, as many prospective buyers were looking around early in November. A 50-cent market for No. 2 corn, Chicago basis, has been practically made by Washington, but this affects only old corn, as the new crop will not make that grade. Commercial feeders report difficulty in buying new corn at prices which they can afford to pay, and old corn is either in strong hands or has already disappeared, much of it having been moved to elevators during the period of wild speculation.

Few cattle will be fed east of Chicago during the coming winter, and there will be a disposition to make the turn-around prematurely, unless killers show more disposition to take on steers weighing 1,100 pounds up. A year ago the country was greedy for fleshy two-year-old steers; that type is now unpopular. Increased cost of putting on gains, unpopularity of weight, and a desire to count the money will send cattle to market early, short of finish, and, if profitable, create a demand for a new set.

LIVE STOCK AT STOCK-YARDS

APPENDED ARE TABLES SHOWING RECEIPTS, SHIPMENTS, and federally inspected slaughter of live stock at sixty-two markets for the month of September, 1933, compared with September, 1932, and for the nine months ending September, 1933 and 1932:

RECEIPTS*

	September		Nine Months Ending September	
	1933	1932	1933	1932
Cattle†	1,178,281	1,231,652	8,656,383	8,656,014
Calves	474,313	457,234	4,057,896	4,074,896
Hogs‡	6,493,792	2,504,965	31,316,328	26,439,163
Sheep	2,910,881	3,238,613	20,077,421	22,180,101

TOTAL SHIPMENTS§

	September		Nine Months Ending September	
	1933	1932	1933	1932
Cattle†	486,366	624,975	3,227,241	3,541,625
Calves	151,171	148,052	1,220,397	1,210,500
Hogs	1,031,618	761,407	7,290,764	8,597,569
Sheep	1,621,599	1,891,762	9,520,930	10,419,716

STOCKER AND FEEDER SHIPMENTS

	September		Nine Months Ending September	
	1933	1932	1933	1932
Cattle†	232,702	346,654	1,240,175	1,345,786
Calves	28,611	43,026	222,007	206,990
Hogs	37,156	21,299	309,459	252,207
Sheep	497,673	535,258	1,546,169	1,871,946

SLAUGHTERED UNDER FEDERAL INSPECTION‖

	September		Nine Months Ending September	
	1933	1932	1933	1932
Cattle†	821,015	717.900	6,296.000	5,737,000
Calves	405,382	366,347	3,626,000	3,400,000
Hogs	3,037,529	3,251,824	35,137,000	33,270,000
Sheep	1,608,661	1,667,411	12,939,000	13,645,000

* Direct shipments to packers included only when passing through stock-yards.
† Exclusive of calves.
‡ Includes many pigs and sows received for government account.
§ Including stockers and feeders.
‖ Owing to the fact that increasing numbers of live stock slaughtered under federal inspection are not going through the stock-yards, but are shipped direct to packers or handled in other ways, it seems advisable to change this table to include all the animals killed under government supervision, irrespective of the manner in which they arrived at the packing plants. Accordingly. the previous heading "Local Slaughter" will henceforth appear as "Slaughtered Under Federal Inspection."

NEW UPTURN IN HIDES

J. E. P.

A TURN IN THE HIDE MARKET WAS REACHED late in October, after a long slump in which No. 1 packer hides reacted from 15 to 9 cents. On the upturn, the 10-cent quotation was reinstated, and trading was resumed in considerable volume. At the low time, tanners were bidding 8½ cents, but were forced to come across, development of activity in leather trade being a strong factor. Leather stocks are low, shoe factories have booked new business, and the harness industry is picking up. Until recently demand for harness was restricted to parts, but whole sets are now moving. Farmers have repaired old harness to the point of uselessness and are now replacing.

Light native cow hides moved in large quantities late in

October at Chicago and St. Paul at 9 cents—an advance of 1 cent from the low point; packers turning down 10-cent bids for heavy steer hides.

South American business has resumed, Argentine frigorifico steers selling at $22.50, of which 10 cents is the New York equivalent.

COMPARATIVE LIVE-STOCK PRICES

BELOW ARE FIGURES SHOWING PRICES ON THE principal classes and grades of live stock at Chicago on November 1, 1933, compared with October 2, 1933, and November 1, 1932 (per 100 pounds):

	Nov. 1, 1933	Oct. 2, 1933	Nov. 1, 1932
SLAUGHTER STEERS:			
Choice (1,100 to 1,500 lbs.)	$5.00-6.00	$6.25-6.85	$7.50-9.00
Good	4.35-5.75	5.50-6.25	6.25-7.75
Choice (900 to 1,100 lbs.)	5.75-6.25	6.25-6.85	7.50-8.50
Good	5.00-6.00	5.50-6.25	6.00-7.50
Medium (800 lbs. up)	3.75-5.00	4.50-5.75	4.50-6.50
FED YEARLING STEERS:			
Good to Choice	5.25-6.50	5.50-6.75	5.75-8.00
HEIFERS:			
Good to Choice	4.50-6.40	4.25-6.40	5.50-7.50
COWS:			
Good	3.00-4.25	3.00-4.50	3.00-4.00
CALVES:			
Good to Choice	3.00-4.00	3.50-5.00	4.00-5.00
FEEDER AND STOCKER STEERS:			
Good to Choice	3.75-5.00	4.25-5.00	4.50-6.25
Common to Medium	2.00-4.00	2.75-4.25	2.75-4.50
HOGS:			
Medium Weights (200 to 250 lbs.)	4.20-4.35	4.75-5.15	3.15-3.35
LAMBS:			
Good to Choice (92 lbs. down)	5.75-6.75	6.50-7.25	4.00-5.75
EWES:			
Good to Choice	1.50-2.75	1.50-2.75	1.00-2.50

PRICE ADJUSTMENT MARKS WOOL TRADE

J. E. P.

ADJUSTMENT OF OUT-OF-LINE WOOL PRICES HAS been in progress for several weeks past. The market has been through spells of inactivity, but underlying strength has never been questioned. Buyers have made scant resistance, as their holdings are limited; hence they are constantly under the necessity of replacement. Current business is re-

stricted to medium grades, fine wools showing slight price recessions. To some extent uncertainty over the administration's gold-purchasing policy has influenced volume. Mills are using large quantities of wool, monthly consumer demand for clothing showing no abatement.

Buyers have been unable to secure Ohio delaine fine combing wools under 34 cents, half-blood has sold at 34 to 35 cents, three-eighths at 40 to 42 cents, and quarter-blood at 40 to 41 cents in the grease. Territory wools are moving freely at 81 to 82 cents per pound, clean, for fine combing grades, half-blood at 79 to 81 cents, three-eighths at 76 to 78 cents, and quarter-blood at 70 to 72 cents.

FOREIGN

ENGLISH LIVE-STOCK LETTER

BY JOSEPH RAYMOND

[*Special Correspondence to The Producer*]

LONDON, October 15, 1933.

BOTH THE WHOLESALE AND THE RETAIL MEAT trades are awaiting the result of the government's inquiry into the marking of imported meats. It will be remembered that the committee communicated with Swift & Co. at Chicago, and was given details of the methods employed there to mark beef and lamb for consumption in the United States.

It was pointed out that marked meat in the United States is not subjected to freezing and subsequent defrosting, but the committee was obviously impressed with the system, and it is felt in wholesale meat circles here that the Swift system may eventually be recommended by the committee for adoption. Of course, this does not mean that the government will necessarily give approval to the recommendation for a marking order to be made by an order in council, as applied for by the National Farmers' Union, but both sections of the meat trade have been drawn together to oppose this and similar schemes. For instance, in the face of the declaration made by the Minister of Agriculture, Walter Elliott, that it is the government's intention to lower the quotas of imported meat, if values of home-produced supplies do not rise to a more satisfactory level, the smaller importers have recently formed an association, and deputations have already visited certain Argentine and United States stock-yards to urge that the distribution of all exported supplies shall be made on an equitable basis. It is feared that certain vested interests controlling wholesale depots and retail shops in this country may divert the best of the imported supplies into their own particular retail channels, and this is one of the strongest arguments used by both sections of the meat trade here in urging that the quotas be lifted. A tariff on imported meat, it is agreed, would not interfere so seriously as quotas with the law of supply and demand, while any revenue obtained therefrom could be used to subsidize the home farmer.

Successive events have made it evident that the present government has in view a comprehensive series of marketing schemes for all kinds of agricultural and food produce. Stanley Baldwin has indorsed Mr. Elliott's statement, the milk-marketing scheme is now in operation, the pig and bacon schemes are also functioning, and now the National Farmers' Union is egging on the government to introduce further schemes to embrace every phase of fat-stock production.

FEEDSTUFFS

ON NOVEMBER 4, COTTONSEED CAKE AND MEAL was quoted at $19.75 a ton, f.o.b. Texas points. The price of linseed-oil meal at Denver on the same date was $42.50. Kansas City hay prices on November 1 were as follows: alfalfa—No. 1 extra leafy, $13 to $14; No. 2 extra leafy, $12 to $12.50; No. 1, $11.50 to $12; No. 2 leafy, $10.50 to $11; No. 2, $9.50 to $10; No. 3 leafy, $8.50 to $9; No. 3, $7.50 to $8; sample, $7 to $7.50; prairie—No. 1, $8 to $8.50; No. 2, $6.50 to $8; No. 3, $5.50 to $6.50; sample, $4.50 to $5; timothy—No. 1, $11 to $12; No. 2, $9.50 to $10.50; No. 3, $7.50 to $9.

THE BULLETIN BOARD

CATTLE-FEEDING SITUATION

Developments to the beginning of October pointed to a relatively small volume of cattle-feeding during the winter of 1933-34, both in the Corn Belt and in most other important feeding states, according to the Bureau of Agricultural Economics. The short corn crop in the Corn Belt; relatively higher prices of feed grains, hay, and other feeds, compared with fat-cattle prices; failure of the fat-cattle market to make any seasonal advance since June; the generally unfavorable returns from cattle-feeding during the past twelve months, and, in some states, difficulty in financing feeding operations, have all been discouraging factors.

Shipments of stocker and feeder cattle through live-stock markets into the Corn Belt during the three months, July to September, were much the smallest for this period in at least fifteen years. Compared with last year, the decrease is about 30 per cent; compared with the next smallest shipments in fifteen years (in 1927), the decrease is about 17 per cent.

The sharpest decrease was in the movement into the Corn Belt east of the Mississippi River. Only about half as many cattle were shipped into these states during the three months this year as last. Shipments into the states west of the Mississippi were about 15 per cent smaller than in 1932.

AREA OF NATIONAL FORESTS

National forests of the United States had a combined area of 162,009,145 acres as of June 30, 1933, according to the Forest Service. Through small additions to a number of the forests, about 750,000 acres were added since June 30, 1932. One new national forest—the "Nicolet" in Wisconsin—was created during the year. The total number of forests remains the same as last year, however, as the Toiyabe National Forest in Nevada has been consolidated with the Nevada National Forest.

Two changes in names were made during the year. The Crater National Forest in Oregon has been renamed the "Rogue River," and the California National Forest in California the "Mendocino."

An area of 60,000 acres within the Coronado National Forest in Arizona was established by presidential proclamation during the last fiscal year as the Saguaro National Monument, to preserve for posterity a representative stand of desert flora, especially the giant cactus. The number of national monuments under the supervision of the Forest Service is now sixteen.

KENTUCKY NOW ACCREDITED AREA

Kentucky is the twelfth state to be officially declared a "modified accredited area;" which means that all its cattle have been tested for tuberculosis, and that the disease has been reduced to not more than one-half of 1 per cent. As in the other southern states, tuberculosis was found to be comparatively rare in Kentucky, its occurrence being largely confined to the vicinity of the larger cities.

Next on the list of states where eradication is nearly completed are Illinois, with 96.1 per cent of its counties accredited; Washington, 94.9; West Virginia, 94.5; Oregon, 80.6; and Virginia, 80 per cent.

FARM INCOME HIGHER

Gross farm income will approximate $6,360,000,000 this year, compared with $5,143,000,000 in 1932, according to a preliminary estimate by the Bureau of Agricultural Economics. The estimate is made up of $6,100,000,000 from the sale of farm products, plus at least $260,000,000 in rentals and benefit payments by the Agricultural Adjustment Administration.

ROUND THE RANGE

RANGE AND LIVE-STOCK CONDITIONS

California

With the prices of feeder cattle as they are, pasturage higher, and a lower market, prospects are not very bright for the winter feeder. A small margin of profit was made on last year's operations, but unless there is a material rise in prices on fat stock, feeders will be eliminated this season in this locality.—DEWEY CAREY, Brawley.

Fall and winter sheep ranges are dry and poor. Moderate operating profits during the past year are in danger of being wiped out by excessive winter expenses. Cattle are mostly on pasture in hay and stubble-fields, range feed being non-existent. Beef is moving at about one-half cost of production. Many feel, however, that our greatest need is some sort of change in the public-domain policy, so that we can control our ranges and build them up to the point where we can again produce cheap beef, as we did twenty-five years ago.—L. J. FEE, Fort Bidwell.

It is awfully dry this season, and range cattle in general are not doing so well. There are not many cattle changing hands.—F. J. KING, Rumsey.

Colorado

Live stock in this district has done very well this summer. Grass was very short until the last six weeks. Generally speaking, there will be feed enough to winter stock. There is still much feed to cut in this section.—C. D. OSWALD, Kit Carson.

Kansas

This has been an unusual season—plenty of rain at times, so that everything looked good; then dry, hot spells that cooked all vegetation. Oats and barley are no good at all; the wheat crop is very light; lots of fields of corn, but no ears; and poor fodder, kafir, and cane. In fact, all late feeds looked good until the past week, but are now drying up. Silos are being filled where there is any feed. Wheat ground is mostly in shape, and some is already sown. Farmers generally are signing up the wheat allotment.—C. H. LATTIN, Portis.

Montana

Cowmen are harder hit here than I ever knew them to be in the last forty years. Last year my yearling steers netted $32; this year they were just as good, and netted me $21. Yet what I have to buy is from 10 to 50 per cent higher than last year. Taxes, too, are higher by about 10 per cent. The only thing I can get cheap is labor, and that only by doing myself what I can and letting the rest go.—P. ROOBOL, Reedpoint.

Nebraska

We have had some good rains and no frost. Everything looks nice and green. It surely is different from what it was this summer. Although the hay crop is short, the winter range is pretty good, and the meadows have greened up in fine shape. Not nearly so many cattle have gone out as in other years at this time. Since it rained, people are able to hold them awhile.—EARL MONAHAN, Hyannis.

Cattle-buyers are as scarce as hens' teeth around here this fall, which looks like a good time to feed some cattle, as corn will be cheap—not over 25 cents a bushel.—T. D. OGDEN, Maxwell.

Nevada

Weather in this region is very dry and unusually warm for this time of year. There have been no feeder steers sold, and not much inquiry. Hay crops were short this season, but there was quite a carry-over from 1932.—S. J. JOHNSTONE, Winnemucca.

New Mexico

Rains early in October have put the range in good shape. There is nothing moving in cattle. "No money" is the cry on all sides. Cattle are no longer security at a bank, and the situation is desperate.—H. L. RAMSEY, Deming.

Texas

Cattle prices are similar to those of 1905 to 1910. The range is spotted. In some sections it is as good as ever known; in others very little rain has fallen this year. Banks do not look with favor on cattle paper, but would rather collect what is out than make new loans. The big trouble with the cattle business today is high leases for grass. This condition has been brought about by high taxes on land. A bank that is 100 per cent liquid is not good for the people. It is just a warehouse for money.—J. F. ATKINS, San Antonio.

Present prices of cattle stopped the movement to market, which was about over. We have plenty of hay and roughage, but no grain. Trench silage, clover pastures, and good bulls are building better cattle in this section. Dairying is becoming established. There is more local consumption of beef, both fresh and home-canned.—T. B. CALDWELL, Mt. Pleasant.

Conditions in this section are fairly good. Cattle are in good shape to start into winter. A few sales of steer calves have been made at 5 cents per pound; heifers, 4. Feed crops are good. Prices of butcher cattle are very low.—HUGH E. MILLER, Shamrock.

Washington

Sheepmen here have all pulled out of the red, to a certain extent, this year, and, with another season as good as 1933, many will get out of debt next fall. Winter prospects are none too good, as there is a shortage of alfalfa in the entire Northwest, due to heavy winter-killing. Loose hay is selling at $10 a ton. Cattle prices are very low, with a large supply held back, and no improvement in sight.—GEORGE HENDRICKS, Connell.

Wyoming

We have had about the worst year I have seen—drought, low prices, and grasshoppers. The market gets worse instead of better. The NRA may have helped some people, but not the cattleman.—C. W. HORR, Douglas.

We have good grass in the winter pastures in this section, but the creeks are all dry, and if it should freeze up without any moisture, we are liable to have a hard time wintering.—JOHN P. COLLINS, Gillette.

Late rains have toughened up the grass and made a lot of new grass, which helped a lot. Not much hay is selling as yet. A few yearling steers are going at $4 to $4.25.—ROBERT N. DALZELL, Kaycee.

Scotch Thrift.—The Scotsman was strolling along the quay one day when his dog stopped beside a basketful of live lobsters. Instantly one of the lobsters snapped its claws on the dog's tail, and the surprised collie dashed off down the street yelling with pain.

The fishmonger for a moment was speechless with indignation; then, turning to his prospective customer, he bawled: "Mon, mon, whustle to yer dog! Whustle to yer dog!"

"Hoots, mon," returned the other, complacently, "whustle to your lobster!"—Lindsay Post.

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